No. 267.
Brief of Merwin & Kerr for Respondent.

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Supreme Court of the United States.

OCTOBER TERM, 1900.

No. 267.

HOLZAPFEL'S COMPOSITIONS COMPANY, LIMITED,
Petitioner,

vs.

RAHTJEN'S AMERICAN COMPOSITION COMPANY,
Respondent.

BRIEF FOR RESPONDENT.

TIMOTHY D. MERWIN,
THOMAS B. KERR,
Counsel for Respondent.

C. G. Burgoyne, Walker and Centre Streets, N. Y.



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BRIEF FOR RESPONDENT.

Statement.

This is a suit for infringement of the common law trade-mark "Rahtjen's Composition," brought by the the respondent in the United States Circuit Court for the Southern District of New York. That Court dismissed the bill. Respondent then appealed to the United States Circuit Court of Appeals for the Second Circuit. That Court reversed the decision of the Circuit Court, and granted an injunction against the petitioner. The petitioner thereupon applied to this Court for a writ of *certiorari* for a review of the proceedings in the Circuit Court of Appeals, which was duly granted, and the case is now before the Ccurt under that writ.

The Trade-marked Article.

The article to which the trade-mark in question is applied, is prepared paint for the hulls of steel and

iron vessels, to protect them from corrosion and from adhering growths of animal and vegetable character.

There have always been three varieties of this paint, identified by the numerals I., II. and III. No. I. is known as the first or priming coat, otherwise called "anti-corrosive," designed to be applied to the bare metal to protect it from the corrosive action of subsequent coatings. Nos. II. and III. are finishing coatings, otherwise denoted "anti-fouling," which, by reason of their poisonous ingredients and gradual exfoliation in use, serve to repel the animal and vegetable growths. No. II. is designed for fresh or brackish waters, and No. III. for the salt waters of the deep seas. Nos. I and III. are those in most general use.

This paint was originally invented and compounded by John Rahtjen in Germany between the years 1860 and 1865, during which period he demonstrated its value by extensive experimental tests. About 1865, in connection with his sons, John and Heinrich, he began the manufacture of the paint for general use, and it speedily acquired a high reputation in the maritime world under the name of "Rahtjen's Composition," being generally adopted by the large German steamship lines. After his death, in 1873, his business was continued by his sons under the firm name of "John Rahtjen," and at about the same time they established a manufacturing plant in England. Since that date the German business has been carried on exclusively and uninterruptedly by the Rahtjen firm, and the English business exclusively by that firm and its agents and successors, Hartmann Bros. (Suter, Hartmann & Co. being selling agents), and the corporation Suter-Hartmann & Rahtjen's Composition Co., Ltd. This company was organized to combine the English sales agents with the English manufacturing agents, and the Rahtjens have always been among its stockholders and directors. Since 1880 Hartmann Bros. and their successor corporation, Suter-Hartmann & Rahtjen's

Composition Co., Ltd., have had the exclusive right to manufacture the paint in England and sell it in England and the United States, the Rahtjen firm retaining the exclusive business in Germany.

There has never been any other source for the paint, and the trade-mark has never ceased to designate it and represent its source or origin.

Respondent's Business.

In General.

The business of respondent and its predecessors in the United States has always been confined to the sale and use of "Rahtjen's Composition" furnished by said manufacturers, at first from Germany and later from England. The business originated as follows:

In November, 1869, Rahtjen, having been solicited by Henry Gelien, of Hoboken, New Jersey, for the agency for "Rahtjen's Composition" in America, gave it to him, under certain prescribed conditions. This appears by Rahtjen's letter to Gelien (Comp.'s Ex. Q., Rec. p. 189). In that letter Rahtjen stated that for certain reasons he did not intend to apply for a patent in the United States on his paint. He then proceeded to enumerate the conditions of the agency, the principal and vital one of which was that,

> "The paint shall be brought on the market under the name of 'Rahtjen's Composition.'"

In other words, in and by that letter, he acted on his election to rely for protection upon his trade-mark rather than to attempt to secure a patent for his invention. This election would seem to be determinative of this suit.

The first shipment of "Rahtjen's Composition" to Gelien was a small quantity in 1870 (J. Rahtjen, Rec., p. 139, Q. 373), the business becoming fully estab-

lished by the middle of 1871 (J. Rahtjen, Rec., p. 139, Q. 373, and Gelien, p. 166, Q. 6).

Gelien announced his agency to the trade by means of a show card headed "RAHTJEN'S COMPOSITION PAINTS" (Ex. R, following p. 208, Rec.), which he copyrighted August 5, 1871, under the title of "RAHTJEN'S COMPOSITION PAINTS" (Ex. UU, p. 206, Rec.).

He also adopted and continued to use during his agency, letter heads bearing the picture of a ship, in connection with the words—"RAHTJEN'S COMPOSITION PAINTS" (Ex. S, Rec., p. 190; Ex. U, Rec.,p. 191).

Gelien's agency continued until he was succeeded in 1878 by the firm of Hartmann, LeDoux & Maecker, appointed by the Rahtjen firm (J. R., Rec., p. 105, Q. 67-69; Ex. T, p. 190). Hartmann, LeDoux & Maecker were succeeded by Emil Maecker in July, 1886 (Ex. CC, Rec. p. 194), and Maecker was succeeded by Otto L. Petersen on January 1, 1889 (Rec., Ex. RR, p. 203). The latter's agency continued until 1891, when the respondent corporation was organized with him as president, acquiring the trade-mark and other exclusive rights in the United States, and succeeding to the business, which it has continued until the present time. Respondent purchases the paste or base of its "Rahtjen's Composition" from the English corporation Suter-Hartmann & Rahtjen's Composition Co., Lim., which succeeded to the manufacturing business of John Rahtjen in England (Petersen, Rec., pp. 48, 49, Re-d. Q. 304).

CONTINUOUS AND INCREASING SALES.

"Rahtjen's Composition" was supplied for the United States by John Rahtjen and the Rahtjen firm from Germany, from 1870 to 1879. John Rahtjen in his testimony, but without his account books, estimated the value of the total shipments to Gelien for that period at about $18,000 (Rec., p. 139, Q. 373).

Gelien himself, however, produced his original invoice book, and the part containing the record of this business was put in evidence (see Ex. QQ, printed as a supplement to the Record). This shows the net amounts from year to year for the entire period commencing with 1871, (not including the first shipment of the value of $82.50 in 1870), as follows, the dates being those of the shipments at Bremerhaven:

1871,	April	26	442 lbs.
	May	19	2,292 "
	June	27	2,812 "
	July	7	5,111 "
1872,	July	4	3,735 "
1873,	Jany.	3	4,083 "
	"	27	691 "
	April	8	4,775 "
	May	2	8,370 "
	Aug.	15	2,175 "
	Oct.	10	6,592 "
	"	"	700 "
	Dec.	16	1,952 "
1874,	Jany.	28	2,060 "
	Feby.	6	3,909 "
	"	"	2,670 "
	"	24	7,863 "
	June	23	1,982 "
	Oct.	30	4,217 "
1875,	April	24	2,384 "
	"	23	4,103 "
	Aug.	27	6,574 "
1876,	May	12	2,381 "
	July	28	2,609 "
1877,	Feby.	15	5,531 "
	July	31, 546 gals. Est. @ 10 lbs. per gal.	5,460 "
	Nov.	15, 280 gals. Est. @ 10 lbs. per gal.	2,800 "
		Total	98,272 "

Gelien estimates the total net value of these shipments as about $17,500 (Rec., p. 166, Q. 17).

The shipments by the Rahtjen firm to Gelien's successors Hartmann, LeDoux & Maecker, were:

1878	196 cwt.
1879 (first six months)	154 "

J. Rahtjen, Rec., p. 106, Q. 80)

Shipments after July 1st, 1879, were made by Rahtjen's English selling agents, Suter, Hartmann & Co., till 1888, afterward by their successors, Suter-Hartmann & Rahtjen's Composition Co. Lim., and were as follows:

1879 (Last six months)	70 cwt.
1880	120 "
1881	300 "
1882	320 "
1883	422 "
1884	620 "
1885	544 "
1886	550 "
1887	450 "
1888	360 "
1889	1,175 "
1890	1,007 "
1891 (nine months)	1,063 "

(Exhibits P and AA, Rec., pp. 185-9).

Thereafter (from Oct., 1891) the respondent company carried on the United States business.

The value of its business was at first about $70,000 a year, increasing to about three times that amount at the date of suit (Petersen, Rec., p. 17, Q. 20), or, as stated more in detail by the witness in answer to x-Q. 270 (Rec., p. 42), the gross business the first year was $71,400, of which the sales of "Rahtjen's Composition" were about 90 per cent. Gross sales 1897, $128,300, and 1898, $181,500, of which amounts

"Rahtjen's Composition" constituted about 80 per cent.

PAINT ALWAYS DESIGNATED "RAHTJEN'S COMPOSITION."

The paint, shipped from Germany to Gelien, and to Hartmann, LeDoux & Maecker, from 1870 to 1879, was marked "Rahtjen's Composition." (Rec., p. 104, Qs. 53–7; 106 Qs. 70–2; 155, Q. 7).

Similarly, the paint shipped from the English factory to the United States from 1879 to 1891 was marked "Rahtjen's Composition."

John Rahtjen testifies that when he transferred the manufacturing business in England to Hartmann Bros. in 1880, he turned over to them the stencils for marking the casks "Rahtjen's Composition" (Rec., p. 132, x-Qs. 315–9; pp. 133–4, x-Qs. 330–7). He says that he had special stencils made containing the words "Rahtjen's Composition," and that he always took care that "Rahtjen's Composition" should appear on every cask. Also that in subsequent years he examined the drums of paint put up by Hartmann Bros., and that they bore the name "Rahtjen's Composition" (Rec., pp. 137, 138, Qs. 362–6; pp. 140–1, Qs. 386–7. See, also, Exhibit KK; Rec., p. 198, which are photographs of the actual stencils so used). August Hartmann says that the paint shipped to the United States prior to 1883 bore the stencils 1 and 2 of Exhibit KK, that careful instructions were given to workmen that all such packages be so marked, and that all of the shipments to the United States from 1879 to 1891 were marked "Rahtjen's" (Rec., p. 156, Qs. 11–16; p. 158, Re-d. Qs. 30–1).

The witness Clark, whose father was local agent in New York City, says that the trade-mark "Rahtjen's Composition" was stenciled on the drums of paint furnished by Maecker (Rec., p. 162, Qs. 12–6). The witness also testifies that, after Petersen succeeded to the agency, the same trade-mark was used upon the drums of paint furnished by him (Rec., p. 164, Re-d. Q. 29).

Petersen testifies that while he was agent this trade-mark was used on the paint drums (Rec., p. 33, x-Q. 191).

TRADE-MARK IN THE BUSINESS LITERATURE.

Besides the use of the trade-mark in Rahtjen's letter to Gelien, and in Gelien's show card and letter heads above noted, the trade circular of Hartmann, LeDoux & Maecker, April 23, 1878, announced the agency business as for the sale of "Rahtjen's Patent Composition" (Ex. T, Rec., p. 190).

The trade-mark "Rahtjen's Composition" was registered by Hartmann, LeDoux & Maecker in the United States Patent Office June 23, 1885 (Rec., opp. p. 210), and by *mesne* conveyances became vested in respondent when it succeeded to the United States business.

Hartmann, LeDoux and Maecker's circular of July 1st, 1886, announcing their dissolution and the succession of Maecker to the agency, speaks of it as "for the sale of Rahtjen's Anti-fouling Composition" (Exhibit C C^2, Rec., p. 194).

Maecker's trade announcement of his agency is of the same purport (Ex. C C^1, Rec., p. 194).

The bills for paint from agent Maecker to the local agent Clark, in 1887 and 1888, are for "Rahtjen's Composition" (Exhibit LL, Rec., p. 201). The letter heads of Clark advertised him as sales agent for New York for "Rahtjen's Composition" (Exhibit MM, Rec., p. 201).

Peterson's announcement of this agency also states that it is for the sale of "Rahtjen's Composition" (Ex. R R, Rec., p. 203).

Sundry orders and bills in evidence show that after the formation of the American Company the paints were designated "Rahtjen's Composition," viz.:

Ex. Press Copy Bill May 2d, 1892, Rec., p. 50.
Ex. Telegraphic order April 22d, 1892, Rec., p. 51.
Exhibit Press Copy Bill April 27, 1892, Rec., p. 51.
Exhibit U. S. Gov. Requisition, June 20, 1893, Rec., p. 51.
Ex. Stencil Copies, marked "Complainant's Drums" Opp., p. 52, Rec.

It is evident from the foregoing, that respondent's business has been continuous and uninterrupted, and of increasing volume since 1870; that the trade-mark "Rahtjen's Composition" has always characterized this business and marked the paint; that the sole source of the paint has been the Rahtjen factory, first in Germany and later in England; that both of these factories have always been owned and operated by the Rahtjens, or their successors with whom the Rahtjens have always been connected either as principals or stockholders; and hence that the name, "Rahtjen's Composition," has always indicated, not only the ownership, but the source and origin of the articles to which it has been applied.

Petitioner's Business.

Petitioner is, and always has been, engaged in the manufacture, use and sale of paints for the same purpose as respondent's "Rahtjen Composition." It has always had a variety of brands of these paints, the leading one being "International," which it has always recommended and endeavored to sell in preference to all others (M. Holzapfel, Rec., pp. 275–276, x-Qs. 116–118). The Circuit Court of Appeals found that it began to send its Rahtjen's composition to this country in 1890, and not 1883, as claimed by petitioner. Only six small sample lots had been sent over during the preceding seven years. From 1890 to 1895, inclusive, petitioner shipped to its agents in this country only about 2,000 cwt. of Rahtjen's composition. Since 1895 it has carried on its business here without agents (Rec., p. 282).

In June, 1898, the petitioner made a successful bid, and was awarded a contract for furnishing the Navy Department with Rahtjen's composition for the New York Navy Yard (Petersen p. 18 Q. 32–38). The Navy Department had never bought any

paint under that name from the petitioner (Andresen, Rec., p. 231, x-Qs. 113, 114), and because of this interference with respondent's business, and infringement of its trade-mark rights, this suit was promptly instituted. Since the commencement of the suit, the petitioner has made numerous other sales of its Rahtjen's composition to the United States Government, and has extensively advertised the same. (Petersen, Rec., p. 19, Qs. 43–5; pp. 170–1, Q. 21; Ex. TT, p. 205).

Petitioner's business in paint under the name of "Rahtjen's Composition" may be summarized as follows:

It began about 1890–1892; nothing but sample lots being shipped before.

Only a small amount was brought to or sold in this country prior to 1898.

Petitioner's chief trade is in "International" paint, and that name and not "Rahtjen" is the one usually identified with the paints sold by it.

Petitioner's Contentions.

The petitioner assails the position and rights of the respondent upon three grounds:

I. That an English patent was granted to Heinrich Rahtjen upon the formula for manufacturing Rahtjen's composition, which patent was applied for, and bears date, November 29, 1873; that this patent lapsed for non-payment of taxes seven years later; and that the name "Rahtjen's Composition" was adopted to designate the article patented, and became public property everywhere with the lapse of the patent:

II. That the respondent has been guilty of such laches as to defeat its claims to the exclusive right to the trade-mark:

III. That the petitioner has never attempted to counterfeit the goods of the respondent, nor to deceive the public into buying its paints as and for respondent's; and that it has always applied to its paints other subsidiary marks, identifying them as of its production and distinguishing them from respondent's:

IV. That the name "Rahtjen's Composition" has become generic, and, hence, that respondent cannot enjoy its exclusive use: and,

V. That respondent's real trade-mark is not "Rahtjen's Composition," but the words "Hartmann's Manufacture," in connection with the symbol of a red hand, and that, as petitioner has never used either those words or that symbol, it has not infringed any rights of respondent.

I. The English Patent.

The Facts.

The first contention is untrue in fact. It is conclusively proven that this trade-mark was adopted by Rahtjen, in connection with his business in the United States, in his letter of November, 1869, granting the agency to Gelien. His paint was shipped to Gelien under his trade-mark, and an established business therein carried on for three years before the date of the application for the English patent. It also appears (particularly by Exhibit QQ, printed as an appendix to the record) that there were three different varieties of Rahtjen's composition—namely, I., II. and III. (see, also, A. C. Holzappel, Rec., pp. 332, 333, X-Qs. 72-79).

Besides, Rahtjen had established a regular business in England in the sale of his paint, under the trade-mark "Rahtjen's Composition" and had carried it on for two and one-half or three years before the appli-

cation for patent. The extensive use of Rahtjen's composition prior to the patent, is admitted by petitioner's chief witness, A. C. Holzapfel, the only one having any personal knowledge whatever of the business prior to the date of the patent, and who was at one time in the employ of Rahtjen's English agents. He admits that he knew that Rahtjen's composition had been sold in England by these agents for some two years prior to the patent, and had been applied to about 120 vessels during that period (A. C. H., Rec., p. 318, Qs. 8 & 9).

John Rahtjen testifies that prior to November, 1873, the date of the English patent, the trade name "Rahtjen's Composition" had great value, and that his composition was looked for, and there were many buyers and many people applied for agencies, and that the reputation of the composition in the trade "was a very good one" (J. R., Rec.,p. 110, Qs. 116-118). The name "Rahtjen's Composition" had become officially recognized, as shown by the language of the Admiralty letter of November 18, 1873 (Ex. M, Rec., p. 185). Rahtjen refers to the subject matter of the Admiralty letter, and gives it as the reason for establishing his factory in England (J. R., Rec., p. 115, X-Q. 180).

William Hartmann testifies that the paint was generally known to the trade as "Rahtjen's Composition" prior to the date of the patent (W. H., Rec., p. 56, Qs. 21-26; see, also, Ex. J, 1-4, pp. 181 and 182, and Ex. K, 1 and 2, p. 182). These exhibits are letters concerning, and orders for, paint under the name of "Rahtjen's Composition," showing the common use of the term during the years prior to the patent. He also produced and introduced in evidence a show card and identified its publication as several months prior to the date of the patent in question (W. H., Rec., p. 58, Qs. 37-46. The show card testified to by the witness is a duplicate of Exhibit Y, Rec., p. 62, after A77). It also appears by the evidence that the English patent in question (pp.

387–389) gives but one of the three or more formulæ for the manufacture of the different varieties of Rahtjen's composition, viz., No. III., all of which varieties, as well before as during and after the patent, were manufactured and sold under the name or mark of "Rahtjen's Composition." Consequently, the trade-mark in England was originally used to designate this paint for several years prior to the patent, and during the life of the patent was employed to identify the unpatented as well as the patented varieties.

Such being the history of the trade-mark in England, the contention of counsel for the petitioner that with the lapse of the patent the name became public property, even in England, is without force; and if not in England, much less could it become *publici juris* in the United States.

Not only was no patent obtained in the United States upon this paint, but Rahtjen definitely decided and declared his intention not to attempt to get a patent, but to rely upon his trade-mark, as early as 1869, when he wrote to Gelien the letter previously referred to. He abided by this decision and never applied for a United States patent.

It is striking and significant also that, while the term "patent" was generally applied to the paint in England, that term was never used, as far as the evidence in connection with the business in the United States is concerned, except in two instances:

1st. In Gelien's letter of February 27, 1875 (Ex. U², Rec., p. 191), written to Suter, Hartmann & Company in England, in which he uses the expression "Rahtjen's Patent Composition" three times, and the expression "Rahtjen's Composition paint" once. This letter was written with one of the English circulars issued during the life of the English patent, which had just been received, lying before him, in which the English firm used the word "patent" in the name, as was their custom. It was natural that Gelien, in writing to them

under such circumstances, should have used a like term. But his use of the name without the word "patent" in the same letter, shows that it was unconscious and unintentional. At all events, the word "patent" did not appear at all in his dealings with his trade.

2d. In Hartmann, Le Doux & Maecker's announcement of the establishment of their firm (Ex. T, Rec., p. 190), dated April 23, 1878. The first-named two of these gentlemen were Englishmen, and connected with the English sales agency firm. They evidently followed their practice in England during the life of the patent, in this notice. There is no evidence, however, that either they or their partner, Mr. Maecker, ever marked or billed the paint in this way, or ever again used the word "patent" in connection with the American business.

The Law.

The law does not support this contention of petitioner.

We submit the following as a general proposition applicable to this point:

That a trade-mark, or a name originally adopted and used as a trade-mark, does not become public property, merely because subsequently;

(a) The name is adopted and applied geographically; or,

(b) Becomes the chief or sole name by which the article is known to the public; or,

(c) A patent is secured upon the article.

(a) Geographical name.

The proposition laid down above is recognized in respect to a name applied to the place of origin of the

article in the case of Atwood vs. Castner, 88 Fed. Rep., 642. It is true that the conclusion of that court as to the validity of the trade-mark is overruled by the recent decision of this Court in Castner vs. Coffman, 178 U. S., 168.

But the point referred to in the Court of Appeals case was not involved in the case in this Court. This Court found as a fact that the coal sold under the name in question was so named *after* that name had been applied to the town or locality.

(b) The trade-mark is unaffected by the fact that it subsequently becomes the common name of the article.

In the case of Selchow vs. Baker, 93 N. Y., 59, the question being

> " whether the words 'sliced birds,' or 'sliced objects,' or 'sliced animals,' which the plaintiffs claim to have appropriated as a trade-mark, are capable of being so appropriated,"

the Court, by RAPALLO, Judge, at page 66 of the opinion, said :

> " We think the word adopted by the plaintiffs constitutes a valid trade-mark. It cannot be true as a general proposition, as contended on the part of the defendants, that when a manufacturer has given to his products a new name invented by himself for the purpose of distinguishing them as his, and the articles become generally known to the trade and to the public by that name, the name becomes public property and every one has a right to use it. That proposition can be sustained only in respect to names which are descriptive of the article and incapable of being appropriated as trade-marks. The value of a trade-mark consists in its becoming known to the trade as the mark of the manufacturer who has invented or adopted it,

and in being known to the public as the name of an article which has met with popular favor. It cannot be that the very circumstances which give it value, operate at the same time to destroy it. * * * * * * * * * * *

Our conclusion is, that where a manufacturer has invented a new name, consisting either of a new word, or a word or words in common use, which he has applied for the first time to his own manufacture or to an article manufactured for him, to distinguish it from those manufactured and sold by others, and the name thus adopted is not generic or descriptive of the article, its qualities, ingredients or characteristics, but is arbitrary or fanciful and is not used merely to denote grade or quality, he is entitled to be protected in the use of that name, notwithstanding that it has become so generally known that it has been adopted by the public as the ordinary appellation of the article" (p. 69).

In the case of Burton vs. Stratton, 12 Fed. Rep., 696, Mr. Justice BROWN says at page 702 :

"But if the primary object of the trade-mark be to indicate the origin or ownership, the mere fact that the article has obtained such a wide sale that the mark has also become indicative of quality is not of itself sufficient to debar the owner of protection or make it the common property of the trade. To hold otherwise would be to deprive the owner of the exclusive use of his trade-mark just at the time when it had become most valuable to him and stood most in need of protection."

In Celluloid Mfg. Co. vs. Cellonite Mfg. Co., 32 Fed. Rep., 94, Mr. Justice BRADLEY quotes with approval from the case of Selchow vs. Baker, cited, and says at page 98 of the opinion :

"It is undoubtedly true, as a general rule, that a word merely descriptive of the article to which it is applied cannot be used as a trade-mark. Everybody has a right to use the common appellatives of the language, and to apply them to the things denoted by them. A dealer in flour cannot adopt the word 'flour' as his trade-mark, and prevent others from applying it to their packages of flour. I am satisfied from the evidence adduced before me that the word 'celluloid' has become the most commonly used name of the substance which both parties manufacture, and, if the rule referred to were of universal application, the position of the defendant would be unassailable. But the special case before me is this: The complainant's assignors, the Hyatts, coined and adopted the word when it was unknown, and made it their trade-mark, and the complainant is assignee of all the rights of the Hyatts. When the word was coined and adopted, it was clearly a good trade-mark. The question is whether the subsequent use of it by the public, as a common appellative of the substance manufactured, can take away the complainant's right. It seems to me that it cannot."

In the case of Celluloid Mfg. Co. vs. Read, 47 Fed. Rep., 712, Judge SHIPMAN cites both Celluloid Mfg. Co. vs. Cellonite Mfg. Co. and Selchow vs. Baker, and holds that the law on that point is settled.

(c) A subsequently granted patent on the article cannot affect the established trade-mark.

In the case of Batcheller vs. Thomson, 35 C. C. A., 532, the Circuit Court of Appeals of the Second Circuit, say:

"In this case the name antedated this patent by more than 2½ years, and *the name and not the pat-*

ent, so far as can be seen, gave value to the article" (italics ours).

The present case does not fall directly within any of these classes, although in our opinion it must be determined in favor of the respondent under the principles thus definitely settled therein. In so far as the particular facts are concerned, the case is a novel one, and in this sense it may be said to raise a new question, which is:

DOES THE EXPIRATION OF A PATENT IN A FOREIGN COUNTRY DESTROY A PREVIOUSLY ESTABLISHED DOMESTIC TRADE-MARK?

The leading decision of this Court relating to trade-marks upon patented articles is Singer vs. June, 163 U. S., 169. This decision enunciates the rule that a trade-mark which an inventor has adopted for, and applied to, his patented invention, becomes public property with the expiration of the patent. In the Singer case, however, the trade-mark and patent were both domestic. In this case the trade-mark is domestic and the patent was foreign. The Singer decision, therefore, is not applicable here. It does not appear that the Court contemplated its application to such a case.

In distinguishing that case from the cases in England, Scotland and France, in which the trade-mark rights were upheld, this Court says at pages 195-6 of the opinion:

> "Nor is there anything in the Scotch case of the Singer Mfg. Co. v. Kimball & Morton, 11 Ct. Sess. 3d s. 267, or the English cases of Singer Machine Manufacturers v. Wilson, 3 App. Cas. 376; 2 Ch. Div. 434; and Singer Mfg. Co. v. Loog, 8 App. Cas. 15, and 18 Ch. Div. 395; which in any way contravenes the doctrines heretofore stated. In the Kimball case, the fact that there had

been no patents in England was expressly referred to, the court finding that for many years prior to 1870 machines like Singer machines had been manufactured under various names in England and Scotland by other parties than the Singer Company. It was upon these facts that the Court based the right of the Singer Company to an exclusive trade-mark in the name. Indeed, Lord ARDMILLON (p. 276) expressly declared that he regarded the facts, above stated, as distinguishing the case from the *Shakespear case, supra.*

This distinction is also true of Singer Mfg. Co. vs. Wilson, and Singer Mfg. Co. vs. Loog. In neither was there a claim of a generic description as a consequence of a monopoly, and it becomes, therefore, needless to review these cases at length."

The syllabus in the Scotch case of Singer vs. Kimball, cited in Singer vs. June, is as follows :

"The manufacturer of a sewing machine of a certain construction which was not patented, had been in use to sell it under his own name for a series of years, and the name had thus obtained an exclusive meaning in the trade, as signifying a machine of his manufacture. *Held*, that the name had become the property of the manufacturer, and that no one else was entitled to use it."

And at page 275 of that opinion, Lord ARDMILLON says :

"I am of the opinion that this is a clear case. It is not a question of patent. The petitioners for interdict, who are the respondents in this appeal, have no patent, and claim no patent for this machine.

The only authority apparently adverse, is the

case of Wheeler and Wilson, in November, 1869 (Law Jour. Ch. Rep., Vol. XXXIX, p. 36).

But the Wheeler and Wilson case was the case of an expired patent, where the machine was distinguishable rather by the novel invention to which the patent applied than to the name of the maker as a guarantee of construction and durability."

The syllabus of Singer vs. Wilson, cited in Singer vs. June, is as follows:

"Plaintiff made a sewing machine, to which he gave his own name; it became known by that name. He afterwards took other persons into partnership with him for the sale of the machine known as the 'S' sewing machine, and which were made in great variety and with many modifications, but though not protected by patents, were established in favor under that name. W. sold sewing machines, and advertised, among others, 'S' sewing machines, but used his own trade name upon the machines, and expressly stated in his advertisement that the machines sold by him were manufactured by him; *Held*, that this, nevertheless, constituted a wrongful invasion of the property of plaintiff, and that W. might be restrained by injunction."

The contention of the claimants is stated on page 377 of that opinion as follows:

"The machines sold by appellants were not patented in this country, and the appellants professed that they from time to time introduced modifications in the making of these machines, but they claimed to have an exclusive right to apply, on all occasions, the name Singer to them, which name, they insisted, had become their trade-mark or trade-name and designation."

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This Court, in Singer vs. June, on page 198, says further :

" The French decision mainly relied on, by the plaintiff in error, is that relating to the use of the surname Bully in a toilet preparation known as the ' Vinegar of Bully,' but the facts upon which the case was decided are misapprehended. In that case the sole question was whether the surname ' Bully ' had been either expressly or tacitly dedicated, by him, to the public by connecting it with his preparation. The Court of Cassation rested its decree upon the finding of fact by the Court below, which was conclusive on it, that no such association of the name, by either the express or tacit consent of Bully, had ever taken place. We excerpt, briefly, the language of the Court of Cassation as reported in the Dictionary of De Marafy, Volume 1, page 11 :

Whereas, without doubt, the methods of manufacture of a patented product fall into the public domain after the expiration of the patent, but it is otherwise as to the name of the inventor, and that this rule suffers no exception, except in the case where, either by long usage or in consequence of a consent either expressly or tacitly given, by the inventor, his surname having become the sole usual designation of his invention, it is employed to indicate the mode or the system of manufacture and not the origin of the particular manufacture.

Whereas, it is declared by the judgment appealed from, that Claude Bully has never manifested an intention to indissolubly bind up or unite his name for the benefit of his invention,' etc., etc.

And the same distinction controlled the case of Howe, where the French courts enjoined the use of that name on a sewing machine. There the Court, as a basis of its decree, used the following

language: 'And whereas, they (Howe and his heirs) did not take patents in France for the invention and their improvements, which have therefore fallen into the public domain,' and have 'never, either expressly or tacitly, abandoned the right to affix his name' (that of Howe) 'to the products of the invention.'"

This Court then summarizes or enunciates the rule as follows:

> "The result, then, of the American, the English and the French doctrine universally upheld is this, that where, *during the life of a monopoly created by a patent*, a name, whether it be arbitrary or be that of the inventor, has become, by his consent, either express or tacit, the identifying or generic name of the thing patented, this name passes to the public with the cessation of the monopoly which the patent created" (italics ours).

This general statement of the rule, in view of the comments upon the cases in foreign courts, cannot be understood to mean that the expiration of a patent in one country makes the name public property in another country, as counsel for petitioners contend.

Nor can the rule apply to a case like the one at bar, where, confessedly, the trade-mark was established in use, and had acquired a large value prior to its application to a patented article, particularly when such application to the patented article *was not exclusive*. In such a case, the value is derived from the trade-mark, and not from the patent. That is to say, it cannot apply where the right to the trade-mark has vested before the occurrence of the fact by means of which it is sought to destroy the trade-mark.

Obviously, the doctrine of the Batcheller case cited is in entire harmony with the Singer case. In the latter

this Court held that the patentee could not prolong the monopoly in a patented article by appropriating the name by which it had become descriptively known during the life of the patent. In the Batcheller case the trade-mark had vested in the owner prior to the patent. The contract subsequently made between the public and the patentee was for *the invention*. The public gave up the right to *make and use* it for a limited term. It received the knowledge *how* to make and use *the invention*. It received the full consideration and had no right to demand the trade-mark in addition.

On the other hand, *the value of the trade-mark* was not enhanced by giving the owner the right to prevent others from making and selling the article *under any other name*. Such right was wholly due to the patent and ceased at its expiration.

This left the parties in the original position as to the trade-mark, but with a fulfilled contract as to the invention. It was a case where the trade-mark did not *arise out of the invention*, and was not descriptive of the same, or a mere synonym therefor.

If the petitioner's contention is based upon the presumption of abandonment of the trade-mark by respondent's predecessors by reason of their application for the British patent, we reply that this Court, in the Hunyadi case, decided the present term (Saxlehner vs. Eisner 179 U. S., p. 19), fully disposes of such a contention as follows (p. 31):

> "To establish the defense of abandonment it is necessary to show not only acts indicating a practical abandonment, but an actual intent to abandon. Acts which unexplained would be sufficient to establish an abandonment may be answered by showing that there never was an intention to give up and relinquish the right claimed."

Not only is there no affirmative proof of abandonment in the case at bar, but, on the contrary, there is the strongest proof of intention not to abandon the trade-mark in this country: 1st, in its original, deliberate selection; 2d, in its continuous, exclusive and uninterrupted use; and, 3d, in its registration in the United States Patent Office.

We submit, therefore, that the business was established under this trade-mark in the United States (and Germany and England as well) years before the grant of the English patent; that the trade-mark has never been abandoned; that it was never appropriated exclusively to the formula of the patent, even in England, but was applied generally to all paint for ships' bottoms, manufactured or originated by Rahtjen, and hence the business owed its value solely to the name; that as there never was a patent in the United States, the business here had no connection with any patent; that, hence, under the decisions in the several Singer cases cited, the English patent has no bearing on this case; and that, under the Batcheller decision, it would have none, even if it had been a domestic patent.

II. Laches.

Petitioner's second contention is that the respondent has been guilty of such gross laches that, even supposing its right had not otherwise been impaired, it can not recover against the petitioner, nor enjoin its use of the trade-mark.

In support of this contention it relies upon certain meager evidence of its importation and sales of paint under that name. The facts proved, however are wholly insufficient for this purpose. Its witnesses testify merely that such a brand of paint was shipped to the United States (M. H., Rec., pp. 268, 280); that certain specified vessels were painted with it (Andresen, Rec., pp. 219, 220); that certain persons not con-

nected with the respondent knew of sales by it of paint under that name (Coverly, Rec., p. 244, Q. 8; Haffner, Rec., p. 247, Q. 10; Adair, Rec., p. 251, Q. 7; Miller, Rec., 255, Q. 13); that it made no concealment of the fact that it dealt in Rahtjen's composition; and that several years before suit was brought, it advertised "Rahtjen's Composition" for a short period, (Andresen, Rec., p. 215 Q. 21).

In a single instance only does the evidence of petitioner indicate the possibility of knowledge by the respondent company of a sale of petitioner's imitation Rahtjen's composition (Andresen, Rec., p. 217 Q. 26). This is merely to the effect that the witness saw Mr. Petersen, the president of the respondent company, on a dock looking at certain drums containing petitioner's so-called "Rahtjen's Composition." This testimony is incompetent to prove knowledge by respondent, because the witness does not say that the petitioner's drums were marked "Rahtjen's Composition." It is the only instance, in all of the petitioner's evidence, in which attempt is made to show knowledge on the part of respondent of petitioner's alleged sales of paint under respondent's trademark. The witness testifies that two other persons were present on this occasion, one of them being petitioner's manager Donald, and yet neither of them is called to corroborate the witness on this point. The entire deposition of Andresen is wholly unreliable and wanting in probative force. He stubbornly and persistently refused to produce books of account and other papers which would corroborate or disprove his statements, or to give on cross-examination any evidence whatever by which the respondent could test their accuracy.

The utmost that petitioner's evidence could do was to create a presumption of knowledge on Petersen's part, but this is destroyed by his denial. He testifies that he never knew of a single sale of Rahtjen's composition by the petitioner prior to that complained of in this suit (Petersen, Rec., p. 17, Q. 23; p. 168,

Qs. 2, 3), and that he supposed any competing business of the petitioner was done with its "International" brand and not "Rahtjen's" (Petersen, Rec., p. 26, x-Qs. 122-3; p. 30, x-Qs. 154-162). He admits that several years prior he may have seen advertisements of the petitioner or its agents of "Rahtjen's Composition," but states that in one instance, when he heard of such an article being offered for sale, he called at the office of the person who made the offer, and gave notice that he would be proceeded against if he made any sale, and that shortly afterward he issued a general warning to the public against any spurious or imitation Rahtjen's composition (Petersen, Rec., pp. 37-39, x- Qs. 225-247); that the first instance of any attempted competition by the petitioner with the respondent in the sale of Rahtjen's composition which came to his knowledge, was in December, 1896, when the petitioner made a bid for furnishing the Government with Rahtjen's composition for the Mare Island Navy Yard (Petersen, Rec., p. 17, Qs. 23-4); that this bid of petitioner's was rejected, and hence he paid no attention to it (Petersen, Rec., p. 33, x-Q. 186); and that thereafter, prior to 1898, he knew of no competition or attempted competition by the petitioner with the respondent in the sale of paint under the name "Rahtjen's Composition" (Petersen, Rec., pp. 26-7, x-Qs. 119-27).

So far from the evidence showing any neglect of its interests by respondent, or delay in asserting its exclusive rights, its whole trend discloses due and commendable diligence. In order to impute laches, it must be shown that the party to whom it is imputed had actual knowledge of the fraudulent or infringing acts of the party complained of; and, as this Court has repeatedly stated, laches, as a defense in the case of an active and continuing fraud, must amount to assent or acquiescence. There certainly has been no assent to, nor acquiesence in, the acts of the petitioner. On the first occasion of information coming to the re-

spondent that any one was actually offering an imitation Rahtjen's composition for sale, personal notice not to do it was given to the party, and a warning was issued to the trade. The first attempt at competition in the sale of Rahtjen's composition by petitioner known to respondent—December, 1896—was ignored, simply and properly because it failed; but the first attempt which was successful was met by the prompt assertion of respondent's rights in the commencing of this suit.

It is to be noted also, that even if the respondent had had knowledge of the specific instances cited by the petitioner, of its use of Rahtjen's composition in the painting of vessels, the insignificant character of the competition would have excused, if not fully justified, the respondent in ignoring it. The president of the respondent company, when asked what the profit to his company would have been if he had secured all contracts specified by the witnesses for the petitioner, answered that $200 would about cover the whole profit (Rec., p. 168, Q. 6).

Neither would a mere advertisement of "Rahtjen's Composition" justify a suit. The reason is aptly stated by the witness Petersen (Rec., p. 36, x-Q. 213):

> "As long as we found it was doing us no injury, and as we were not cognizant of the fact that they had offered it for sale, we let the matter rest at the time."

Note, also, that it appears that the respondent believed that all business competition of the petitioner, except in the 1896 and 1898 instances, was by sales of its "International Composition," as against respondent's "Rahtjen's Composition." This was natural, from the fact that "International Composition" was, as petitioner's witnesses state, their chief, leading and preferred brand of paint, which they

always sold in preference to any other, if possible. (See, for example, the testimony of M. Holzapfel, Rec., pp. 275–6, x-Qs. 116–118).

It is evident that the small amount of paint which the petitioner imported into the United States under the name of "Rahtjen's Composition" could have been readily disposed of throughout the country, without the knowledge of others in the trade, by using it upon small vessels, tramp steamers and those of minor steamship lines, which are usually coated abroad and for which competing bids would not be asked in this country. This fact, especially in connection with the other fact above noted, that the petitioner's business was substantially and principally the sale and use of "International" paint, shows that it is entirely reasonable to suppose that respondent did not know of any sales of paint in infringement of its trade-mark.

The Law.

This Court lays down the rule as to laches in McLean vs. Fleming, 96 U. S., 245, at pages 253–4, as follows:

> "Equity courts will not, in general, refuse an injunction on account of delay in seeking relief, where the proof of infringement is clear, even though the delay may be such as to preclude the party from any right to an account for past profits."

So also in Menendez vs. Holt, 128 U. S., 514 (523), this Court says:

> "The intentional use of another's trade-mark is a fraud, and when the excuse is that the owner permitted such use, that excuse is disposed of by affirmative action to put a stop to it. Persistence then in the use is not innocent; and the wrong is

a continuing one, demanding restraint by judicial interposition when properly invoked. Mere delay or acquiescence cannot defeat the remedy by injunction in support of the legal right, unless it has been continued so long and under such circumstances as to defeat the right itself. * * * *

Acquiescence to avail must be such as to create a new right in the defendant (citing cases). Where consent by the owner to the use of his trade-mark by another is to be inferred from his knowledge and silence merely, 'it lasts no longer than the silence from which it springs; it is, in reality, no more than a revocable license.' * * *

But there is nothing here in the nature of an estoppel, nothing which renders it inequitable to arrest at this stage any further invasion of the complainant's rights. There is no pretense of abandonment. That would require proof of non-user by the owner or general surrender of the use to the public (524).

This Court also says in the Hunyadi case (p. 39):

"But in cases of actual fraud, as we have repeatedly held, notably in the recent case of McIntire vs. Pryor, 173 U. S., 38, the principle of laches has but an imperfect application, and delay even greater than that permitted by the statute of limitations is not fatal to plaintiff's claim. We have only to refer to the cases analyzed in that opinion for this distinguishing principle that, where actual fraud is proven, the Court will look with much indulgence upon the circumstances tending to excuse the plaintiff from prompt assertion of his rights. Indeed, in the case of an active and continuing fraud like this we should be satisfied with no evidence of laches that did not amount to proof of assent or acquiescence."

Clearly laches cannot be imputed to respondent, for petitioner's infringing business prior to suit was trifling and did not interfere with respondent's, and there is no proof that respondent had knowledge of it. Any presumption of such knowledge arising from the unsupported and negative testimony of Andresen, and the statements of other witnesses as to importations and sales by defendant, is completely overcome by the denial of knowledge by Petersen and the fact that petitioner's chief trade was in "International" paint, and that that name and not "Rahtjen" identified its business.

When the infringement came to its knowledge, respondent acted promptly and with due diligence brought suit.

III. Subsidiary Marks.

The third contention of petititioner is, that it has always distinguished its paint from respondent's by its own subsidiary marks. These were "Holzapfel's Manufacture," the symbol of a red propeller, and other minor marks. But with the subsidiary marks always appeared respondent's trade-mark "Rahtjen's Composition."

On this point, too, this Court has spoken in terms of no doubtful meaning. In Menendez vs. Holt, 128 U. S., 514, at page 518, it says, as follows:

> "The defendants' answer states that the 'La Favorita' flour they sold was always accompanied by the name of S. O. Ryder, plainly and prominently added to the brand.
>
> Thus one concern sold flour branded 'La Favorita, Holt & Company,' and the other concern sold flour branded 'La Favorita, S. O. Ryder.' The name of the party selecting the flour, sold under these brands, was plainly stated by either party. If, therefore, the allegation of the

answer respecting the use by the defendants of said brand be taken as a qualified admission in the case, this allegation shows that there was no infringement of the *real* brand used by the complainants. Beyond that there is no proof in the case at all of any infringement, because the testimony does not disclose where or when the firm of José Menendez & Bro. sold any 'La Favorita' flour, or where or when the firm of A. V. Ryder sold any 'La Favorita' flour. There was clearly, where the name of S. O. Ryder was added to the brand, no intention to palm off the goods of the defendants for those of the complainants; consequently no infringement of that which is of real value to the complainants, viz.: their firm name in connection with such other marks of grade or quality as they might choose to brand upon their barrels."

This Court, however, did not assent to the defendant's proposition, but held (p. 521), as follows:

"Holt & Co., then, having acquired the exclusive right to the words 'La Favorita,' as applied to this particular vendible commodity, it is no answer to their action to say that there was no invasion of that right because the name of S. O. Ryder accompanied the brand upon flour sold by appellants, instead of the name of Holt & Co. *That is an aggravation and not a justification*, for it is openly trading in the name of another upon the reputation acquired by the device of the true proprietor. Gillott vs. Esterbrook, 47 Barb. 455; s. c. 48 N. Y. 374; Coats v. Holbrook, 2 Sandf. Ch. 586" (italics ours).

So, here, if this was Rahtjen's trade-mark, and was conveyed by him to the respondent, and was not aban-

doned, and the petitioner was not licensed to use it, then the petitioner had no right to appropriate it, even though it used it in connection with the name "Holzapfel" and the symbol of a propeller. It might well be presumed by the public, from the boldness of the operations of the petitioner, that it had been licensed by respondent to use the trade-mark. Such cases are not unknown.

As was said in the Menendez case, this was "an aggravation, not a justification."

If such be the law as regards the use of fanciful words (La Favorita), arbitrarily selected, it is much more so in regard to the unlawful use of the *name* of the person by whose efforts it has obtained its commercial value as a trade-mark.

Particularly is this so when the trespass cannot be justified on the ground, so often advanced in such cases, that the name is that also of the trespasser.

Under these circumstances the offense is more flagrant and the remedy should be more stringently applied.

This Court in the Hunyadi case held that liability for infringement of a label and bottle is not avoided by the infringer's use of an additional label which is a mere importer's private mark.

IV. Name Generic.

Petitioner contends that the name "Rahtjen's Composition" has become generic and therefore cannot be monopolized by any one. Strictly speaking, it would seem that the term "generic" is applicable to an unpatented article only. During the life of a patent the name or mark as truly indicates origin and ownership as if there were no patent. If the patent prove invalid the trade mark right is preserved, because there has never been a legal patent monoply to limit the duration of trade mark monoply. For example, in the case of

Sawyer vs. Kellogg (7 F. R., 720, 723), Mr. Justice BRADLEY says:

> "It is further suggested that the complainant has lain by for several years, whilst the defendant has been publicly using his own label, and has thus acquiesced in its use. To this suggestion it may be proper to reply that the complainant had a patent for the article of bluing, which he was prosecuting and endeavoring to substantiate, but in which he finally failed. His failure to establish his patent (which would have covered all his rights) ought not to preclude him from falling back on his right to the trade mark."

See also to like effect Lorillard vs. Wight, 15 F. R. 383.

The passing to the public of the exclusive trade-mark right with that of the patent would seem its simultaneous dedication by operation of law.

The adjective "generic" implies that the name or mark has lost, if it ever possessed, the quality of indicating mere ownership or origin of the goods to which it has been applied. In other words, that, when not a geographical or proper name, it has come in the minds of the public to indicate an article of trade, without suggesting who is its manufacturer, or that any individual in particular is its owner. Which implies that the article is manufactured or produced by several different parties, to whose several products the name is indifferently applied, to designate its character or quality, descriptively.

What evidence is there to show that in this case the name "Rahtjen's Composition" has become generic by common use by various parties? There is no proof that besides Rahtjen and his assigns any one save this petitioner has ever adopted or used the name.

If generic, then it is rendered so solely by the infringing acts of the petitioner. If this be a true principle, then every infringer can by his own wrong-

doing establish a defense against the penalty of such act, or, in other words, he can profit by his own wrong-doing. The mere statement of the logical effect of the petitioner's argument is its sufficient answer.

The petitioner called several witnesses to prove that its sales of paint, under the name "Rahtjen's Composition," in this country, were known to the public, and inferentially that the respondent probably knew of them. The testimony of these witnesses, however, proves to be of greater importance upon this point. The sum total of it is that they knew, not of general use by a large number of different parties of the name of "Rahtjen's Composition," so as to make the term a generic or descriptive one, but of sales of paint under that name by respondent and petitioner only. In other words, they testified to infringing acts of the petitioner which were unknown to respondent. For example, petitioner's witness, Coverly, says:

> "Q. 8. Do you know what kind of paints or compositions for painting the bottoms of vessels Donald & Co. (Petitioner's agents) or the defendant corporation have sold or used?
>
> "A. We have always understood that Mr. Donald sold to us Holzapfel's Rahtjen's Composition; Mr. Petersen (President of Respondent Company) Hartmann's Rahtjen's Composition" (Rec., p. 244).

To the same general effect is the testimony of Haffner (Rec., p. 247, Qs. 10–20);
Linnekin (Rec., p. 249, Qs. 4–13); and
Adair (Rec., p. 251, Qs. 5–13).

Note Adair's answers to questions 8–10:

> "Q. 8. How was the Holzapfel paint known which Donald & Co. handled?

A. How do you mean? The way that I know it there was two paints, the Hartmann and the Holzapfel's."

Q 9. State whether or not you ever knew of Donald & Co. ever handling a Rahtjen paint.

Objected to as leading.

A. Yes, when I knew it first it went under the name of Suter-Hartmann's.

Q 10. Did it go under that name when you knew Donald & Co. to be handling it?

A. At that time there was a Rahtjens manufacturing it and Holzapfels as well."

Also the witness Miller:

"Q. What paint did Donald & Co. supply?

"A. He supplied Rahtjen's paint, manufactured by Holzapfels" (Rec., p. 255, Q. 13).

This evidence shows that the petitioner *alone* had entered respondent's field of business and not the public generally. We submit that there is no authority for holding that the unauthorized invasion of the rights of the trade-mark owner by a single infringer can make the trade-mark generic in character.

V. The Hartmann Trade-Mark.

There are certain minor questions in respect to which proof was offered by the petitioner, and which were argued in the courts below, but which do not seem to be made grounds of complaint against the decision of the Circuit Court of Appeals. One of these is the assertion by petitioner that respondent's real trade-mark is the words "Hartmann's Manufacture" in connection with the symbol of a red hand.

This trade-mark was registered by the English corporation Suter-Hartmann & Rahtjen's Composition

Company, Limited, from which the respondent acquired its rights. (See Record, p. 211.)

This trade-mark does not contain the words "Rahtjen's Composition." It is merely a Hartmann trade-mark, and has been used by respondent and its predecessors in connection with its main trade-mark of "Rahtjen's Composition."

Petitioner claims that it has not used this additional and later trade-mark of respondent's and, therefore, has not infringed upon respondent s rights. The facts in reference to the use of these marks are briefly but accurately set forth in the opinion of the Circuit Court of Appeals.

In part repeating what we have before noted, we summarize them as follows:

"Rahtjen's Composition" was adopted by Rahtjen in 1865 as a trade-mark for his paint for ships' bottoms; said trade-mark has been used for that purpose continuously ever since by the Rahtjens and their associates; in 1870 the sale of this paint was begun, not only in the United States but also in England, in the latter country through the exclusive agency of Suter, Hartmann & Company, of London; the business in England grew to such proportions that a factory for the manufacture of the paint was established by the Rahtjens in 1874; subsequently, in 1880, this factory was turned over to Hartmann Brothers, together with the exclusive right to manufacture said paint for sale in Great Britain and the United States, under a royalty license; in 1888 the corporation of Suter-Hartmann & Rahtjen's Composition Company, Limited, was formed as the successor of the various copartnerships theretofore engaged in the business, and said exclusive rights were vested in it; during the period from 1871 to 1888 the business of manufacturing and selling the Rahtjen's paint was carried on under the trade-mark of "Rahtjen's Composition," and all of the parties engaged during that time as the agents and licensees of the

Rahtjen firm in England as well as the latter's agents in the United States—namely, Suter, Hartmann & Company, Hartmann Brothers, and Hartmann, Le Doux & Maecker—were firms in each of which one or more of the Hartmann family were copartners; and, therefore, the name "Hartmann" became and was during those years closely associated in this business with the name "Rahtjen;" after the manufacture of the paint in England was undertaken by Hartmann Brothers, the Rahtjens meanwhile manufacturing in Germany, it was deemed advisable to adopt a trade-mark which would indicate the paint of the Hartmann Brothers' manufacture, as a distinguishing symbol of their own, the paint being sold through the same agents as theretofore—namely, Suter, Hartmann & Co. and Hartmann, Le Doux & Maecker—in Great Britain and the United States, respectively; they therefore adopted the words "Hartmann's Manufacture" in connection with the symbol or representation of an open hand of red color; this trade-mark was registered in the United States Patent Office on September 17, 1889, No. 17,035 (see Rec., p. 211), by Suter-Hartmann & Rahtjen's Composition Company, Limited, which corporation had meanwhile become the successor of Hartmann Brothers and of the various other firms engaged in the business; the specification of the trade-mark states that the class of merchandise to which it is appropriated is "paints and painters' supplies," and the particular class of goods on which it is used is "paints, compositions, anti-corrosives and anti-foulers of all description," but as we have stated the name Rahtjen is not mentioned in the trade-mark; this mark has been applied by respondent and its predecessors, not only to Rahtjen's composition, but to all paints of their manufacture, including some not known as Rahtjen's composition which are used for the interior and unsubmerged parts of ships (see Dep. Peterson, Rec., p. 48, Re-d. Q. 301–5).

This disposes of the claim of the petitioner that the words "Hartmann's Manufacture" with the symbol of the red hand have been applied by respondent to Rahtjen's composition for the purpose of indicating them as such.

In this connection the statement of respondent's witness Peterson is exceedingly apt (see Rec., p. 48, answer to R-D. Q. 304):

> "Several years before the Suter-Hartmann & Rahtjen's Composition Company, Limited, was organized, the firm of Hartmann Brothers had the exclusive right to manufacture the Rahtjen's composition in England. The goods were marked with the words 'Hartmann's Manufacture.' This was to distinguish them from the composition manufactured by the Rahtjens in Germany. Then when the English Company was formed, they acquired the manufacturing rights and marked their goods in the same way. As the American Company buy the paste or base from the English Company, its manufacture is also marked with the same words, 'Hartmann's Manufacture.' These words are connected with a red hand; this is the symbol ordinarily used by the Hartmann Brothers in connection with the words, 'Hartmann's Manufacture.' This is as near a history of the case as I can give."

On the other hand, the use of the trade-mark, "Rahtjen's Composition," by respondent, has been confined to this particular paint for ships' bottoms, and has not been used on paints and materials for other purposes.

Unfair Competition.

This suit being for infringement of a trade-mark, of the actual adoption and use of which there can be no

doubt, the question of unfair competition is not involved. The petitioner, however, has attempted to avoid the consequences of its infringing acts by making it to appear that its competition has not been unfair. The law is too well settled to justify discussion, that in strict trade-mark cases a fraudulent intent to injure the complainant, or an actual misleading of the public, need not be proved, as it will be presumed.

In Menendez vs. Holt, cited, this court, by Mr. Chief-Justice FULLER, says, at page 523:

> "The intentional use of another's trade-mark is a fraud,"

and, also, that the use of subsidiary or identifying marks is an aggravation.

This language is quoted with approval by this court in the Hunyadi case, decided the present term.

In the Elgin Watch case (Elgin Natl. Watch Co. vs. Illinois W. C. Co., 179 U. S., 665), also of the present term, this court, by Mr. Justice BROWN, says, at page 674:

> "If a plaintiff has the absolute right to the use of a particular word or words as a trade-mark, then if an infringement is shown, the wrongful or fraudulent intent is presumed."

However, unfair competition has been averred in the bill and included in the prayer for relief and supported by proofs. This proof is conclusive of the intention of petitioner in selling or offering for sale a spurious paint under respondent's trade-mark. The only conceivable reason which the petitioner could have for applying this trade-mark to its paint was to encroach upon the respondent's business and secure its customers. Petitioner has, in fact, sold to the United States Government as "Rahtjen's No. 1, or Anti-Corrosive Composition," and "Rahtjen's No. III. or Anti-fouling Composition," which are the designations for-

mulated and long used by petitioner, paint which was not of that origin, nor made according to the formulas of Rahtjen. (Petersen, Rec., pp. 18–32, Qs. 32–55. A. C. Holzapfel, Rec., 333, X-Qs. 76–78.)

This purpose is also apparent from the fact, as appears in the record, that the Rahtjen's composition of the respondent and its predecessors, has for many years been compounded by processes which are trade secrets. (Petersen, Rec., p. 40, X-Q. 254. J. Rahtjen, Rec., p. 154, Q. 523. Complt's. Ex. HH, Rec., p. 208.)

That the respondent and its predecessors employed secret processes in the manufacture of its paint has been well known to petitioner and its predecessors. (M. Holzapfel, Rec., p. 278, X-Q. 139. Schnitger, Rec., p. 308, X-Q. 140.)

Both of these last-named witnesses testified to their knowledge of secret processes long before petitioner established any regular business in the sale of paint under respondent's trade-mark in the United States. That petitioner's present processes are different from that of the British patent, which it claims it has followed in its manufacture, was admitted by defendant's chief witness, A. C. Holzapfel, who refused, however, to disclose what they actually were, claiming them to be trade secrets. (Rec., pp. 332–33, X-Qs. 74–79).

Not only did respondent many years ago and before the expiration of the British patent referred to, cease to use the formula disclosed therein and adopt others which it is still using as trade secrets, but the petitioner also has in like manner departed from the formula of the patent, and is also manufacturing under trade secrets. Hence petitioner has sold and offered for sale what it knows is different from respondent's goods while using respondent's trade-mark, which substitution is a deceit and fraud upon the public.

Decision of Court of Appeals.

The decision of the Court of Appeals which is now under review by this Court, briefly finds the facts to be true which we have above set forth in detail.

The findings and conclusions are as follows (p. 429):

> "The defendant's case rests mainly upon the position that after the forfeiture in 1880 of the English patent of 1873, the name Rahtjen's composition became generic in this country, and the article could be manufactured and sold in this country by any person who described himself as the manufacturer. Reliance is placed upon the case of Singer Manufacturing Co. v. June Manufacturing Co. (163 U. S., 169).
>
> It appears that the firm of John Rahtjen introduced their paint into this country in 1869 and preferred not to attempt to obtain the protection of a patent, but to gain both reputation and protection by the character of the article and for that purpose required that it should be sold as their product, and under a trade designation. That system has been continued by each owner of the business in this country until the present time, and the name of the inventor has become fastened upon the product. If a trade-mark exists in this country in the name of Rahtjen's composition, the complainant is the owner of it by virtue of the right of succession, as stated in the well known case of The Lepage Co. v. Russia Cement Co. (51 Fed. Rep., 941)" (Rec., p. 429). * * *
>
> "It further appears that after 1869, the only patent which was ever taken out in any country for the paint was the English patent of 1873, which lapsed by Hartmann & Brothers non-payment of dues in 1880. The asserted consequence is that because the name then became *publici juris*

in Great Britain it became public property everywhere. There was in 1880 a valid trade-mark right in the United States which Rahtjens and their successors had acquired. The lapse of the English patent neither broke this trade-mark, nor interfered with the title of its owners. They owned it, and although the lapse of the English patent interfered very seriously with their title to exclusive rights in Great Britain, it was ineffectual upon title in another country. In England the Rahtjens undertook to acquire exclusive rights by virtue of the patent laws. In the United States they had previously acquired exclusive rights by the common law. Their failure in England does not cause a cessation of their common law rights in the United States. The lapse of the English patent could not cause a lapse of trade-mark rights throughout the world.

The Singer case, *supra*, had exclusive reference to the continuance of a monopoly in this country upon which letters patent of this country had expired, and the court held that the right to use the name passed to the public in this country, with the expiration of the exclusive right created by the patent to make and sell the article. The decision followed the previous general course of decisions in the courts of this country and elsewhere, but it did not relate to the facts of this case, as obviously appears in the opinion of Mr. Justice WHITE, who spoke for the court."

The Court of Appeals, after referring to the language of this Court distinguishing the Singer vs. June case from the Scotch, English and French cases, says further (p. 431):

"We are not able to find from the record, as a fact, that in the United States the name Rahtjen's composition has become a generic name

and now means a composition made by any one after the original formula of Rahtjen. A few witnesses say that they supposed that the complainant and the defendant were competitors in the manufacture of an article called by the same name, but the testimony does not show that the fact exists in this country * * * that 'in the eyes of the public this name of Rahtjen has become a sort of qualifying adjective indicative of this special product.' * * * * * * * * * * * *

The defendant next insists that the complainant's laches should prevent any decree in its favor. It is true that the defendant has sold its manufacture of Rahtjen's composition to a certain extent since 1890, but the sales have been comparatively small, and did not interfere with the complainant's business to any marked extent until the defendant obtained a contract with the Naval Department of the U. S. Government in answer to a call for offers of 'Rahtjen's composition,' when suit was promptly commenced. The defendanst' chief brand of paint is the 'International composition,' and it has been their endeavor to sell that brand, if they could, 'and failing that, Rahtjen's composition.' The defense of laches is nominal rather than real, for the defendant's interference with the property rights of the plaintiff was, for many years, inconsiderable, and under no decision, merits a refusal of a decree of injunction."

Petitioner's Assignments of Error.

So far as error pertaining to the present issue may be said to be assigned in the petition, it may be summarized as follows, viz.:

(1) That the Court of Appeals erred in not holding that the name "Rahtjen's Composition"

became public property in the United States by reason of the expiration of the British patent to Rahtjen.

(2) That it erred in not holding that the name "Rahtjen's Composition" had become generic and had long ceased to denote the source of manufacture.

(3) That it erred in not holding that respondent was guilty of laches, and therefore estopped from maintaining this action.

(4) That it erred in holding that respondent had acquired a common law trade-mark in the United States in said name prior to the application for the British patent.

(5) That it erred in not holding that the disclaimer by respondent's predecessor of the exclusive right to the name "Rahtjen's Composition" in its application for registration of trade-mark in the British Patent Office estopped it from claiming such exclusive right in this country.

Our answer to the first three of these supposed assignments of error has already been given in our statement of the facts and the law applicable thereto. As to the fourth, the petitioner's position seems to be that, while it admits the establishment of business by Rahtjen in the sale of Rahtjen's composition, during the three years prior to the date of the English patent, yet that business

> "was not large enough, or conducted for a long enough period in the United States, for the said company (respondent) to have acquired a common law trade-mark in the United States prior to the application for the English patent" (Pet., p. 22).

We know of no rule of law which justifies or in any degree supports this claim. We do not understand that any specific length of time is required, during which

such a business must be conducted in order to establish priority. Certainly there is no rule that the owner of a trade mark shall do any specific *volume* of business in order to protect his trade mark. But even if both lapse of time and volume of business were material, we submit that the amount shown by the Gelien invoice book is certainly ample and the period of three years is unquestionably long enough for the requirements of this case. It was long enough in the Batcheller case cited.

In Kathreiner's Malzkaffee Fabriken mit Beschrankter Haftung, *et al.* vs. Pastor Kneipp Medicine Co., 82 F. R., 321 (C. C. A., 7th Ct., Oct. 4, 1897), the Court says :

> " It is * * * not necessary, in our judgment, that a trade in an article should be fully established, in the sense that the article be widely known, before the proprietor of its trade-mark or trade name may be entitled to the protection of equity for the preservation of his rights. Otherwise it might be impossible, with respect to a valuable and desirable article or product of manufacture, designated by a particular brand or in a particular manner, ever to establish a trade. Craft and cunning, discerning the value of the product, and the profit to be acquired, would, at the inception of the business, flood the market with spurious and cheaper articles or preparations of the similitude of the genuine, and strangle the trade in the genuine at its birth. It is enough, we think, if the article with the adopted brand upon it is actually a vendible article in the market, with intent by the proprietor to continue its production and sale. It is not essential that its use has been long continued, or that the article should be widely known, or should have attained a great reputation. The wrong done by piracy of the trade-mark is the same in such case as in that of an article of high

and general reputation, and of long continued use. The difference is but one of degree, and in the quantum of injury. A proprietor is entitled to protection from the time of commencing the use of the trade-mark."

The Court then cites with approval from the case of Hall vs. Barrows (32 Law J., Ch., 548), which is of identical purport with the language above quoted, and then proceeds further as follows :

"The evidence here is satisfactory that the product in question was marketed in the United States first in the year 1891, and followed during the years 1892 and 1893 by other importations, not numerous, indeed, but so many and in such quantities as one would look for during the first years of the growth of an infant industry, and indicating the intention of the proprietor to actively occupy the market."

The Court held that the use of the trade-mark as stated was sufficient to establish the complainant's rights.

Applying this ruling to the case at bar, we submit that Gelien in the years prior to the date of the English patent had so established his business as to entitle him to appeal to a court of equity for the protection of the trade-mark, and hence the trade-mark had become so established as to be unaffected by the patent.

As to the fifth point that the common law trade-mark right in this country was sacrificed or abandoned by reason of the disclaimer filed by Rahtjen's English agents upon their application for registration of one of their trade-marks in England, we reply that it appears from the record that the disclaimer was required by the English Patent Office on the ground that the English patent

had expired and that the Office regarded the name "Rahtjen's Composition" for that reason public property in England (Schnitger, Rec., p. 303, Qs. 96–98). We think the applicants for registration were wrongly advised by their counsel in respect to the effect of the lapse of the patent upon their exclusive ownership of the trade-mark (W. Hartmann, Rec., p. 88, Re-d. Qs. 333 and 334). But aside from the question of bad advice or error of judgment, a proceeding of this character cannot be effective beyond the limits of the country in which the grant or registration is sought. It certainly requires no argument to show that the registration of a trade-mark in England cannot affect a common law trade-mark in this country, nor can the specific limitations of such registration in one country limit the scope or impair the validity of either the common law right, or the registration of a trade-mark in this country. The intention of the owners not to abandon their rights in the United States, is shown from the fact that only a few months later they registered the specific trade-mark involved in this suit was in the United States Patent Office (Rec., p. 210).

In the registration of trade-marks it is immaterial whether the registrant can become the exclusive owner of the trade-mark abroad.

> "The word "Germania" may be registered here as a trade-mark by a citizen of Germany, although the German statute makes no provision for registration of words as trade-marks." (64 O. G., 858. FISHER, Acting Commissioner :)
>
> "The word 'Goliath' may be registered as a trade-mark to a citizen of Germany, although that government would not register it, since this country, in the treaty between the United States and Germany, does not require registration in Germany

as a condition for registration here, and since although a German citizen cannot become the exclusive owner of a word in Germany he may do so in the United States " (53 Ms. D. 7, Fisher, Asst. Com.).

By analogous rule a prior foreign patent does not prevent the issuance of a broader American patent.

> " Where the same inventor who has obtained a patent from a foreign state subsequently makes an application for a patent in the United States, the monopoly he seeks is one essentially distinct in territorial limits from that which he has previously received, and therefore one which may yet be conferred upon him by the government within whose gift it still resides." (II. Robinson on Patents, Sec. 461.)

In Faure vs. Bradley, 44 O. G., 945 (Commissioner Hall), it was held that foreign patents containing limited claims will not bar an applicant from securing a patent in this country for a broader invention.

We submit that there is no force in any of the claims of the petitioner imputing error to the decision of the Court of Appeals.

The Dissenting Opinion.

It is proper in this connection to consider the grounds of the dissenting opinion of Judge WALLACE in the Court of Appeals.

The essential points in this opinion are:

FIRST. That the name was the generic description of a patented article and passed to the public with the lapse of the patent.

We submit that this point is fully answered by our showing of the history of the business in England

prior to the application for the patent, and that during the life of the patent the trade-mark continued to be applied to unpatented varieties of the paint as well as to the patented.

Also that the trade-mark ante-dated the patent and had a broader scope and use, and hence the value was obtained from the trade-mark and not from the patent, and the lapsing of the patent could not affect the exclusive ownership of the trade-mark.

SECOND. That the trade-mark has long ceased to denote the source of manufacture.

This statement is not borne out by the facts in the record. It is evident, as we have above stated, that the source of the paint sold in the United States during all these years was first the Rahtjen factory in Germany, and later the factory established by him in England, now belonging to the corporation of which he is a stockholder, and which bears his name. The only other source is that of the single infringer, whose acts are called in question by this suit.

THIRD. That the disclaimer of the English agents on their application for registration in England operated to destroy their rights in this country.

This point we have already discussed, and, we believe, satisfactorily disposed of.

So, also, have we attempted to meet and answer the claim of laches, and that the trade-mark is generic.

The only other point in the dissenting opinion which needs consideration, is the implied conclusion that it is impossible for a man to have in this country a trade-mark of which he is not the exclusive owner in other countries.

The mere statement of this point suggests the answer. The converse is recognized in the decisions of European courts, cited by this Court in the Singer vs. June case. In that case this Court held that the

exclusive right to the name given to the patented article lapsed with the patent, while the Courts in England, Scotland and France *where the article was not patented*, sustained the trade-mark, thus holding the exact contrary of the proposition laid down in the dissenting opinion. In effect they held that a man purchasing a Singer sewing machine made in this country by others than the Singer Company, would be enjoined by the courts of those countries from selling it there.

This Court, in the Singer vs. June case, recognizes the existence of continuing exclusive trade-mark rights in foreign countries after they have lapsed in this country. Why, therefore, should there be any distinction, or why should it be held that the converse may not be equally true, that a trade-mark lost in England by the lapse of the patent on the article to which it has been applied, may nevertheless continue the exclusive property of its original owner or his successors in this country ?

The case of J. & P. Baltz Brewing Co. vs. Kaiserbrauerei *et al.*, 74 F. R., 222 (C. C. A., 3d Ct., May 4, 1896), was a suit for the infringement of a common-law trade-mark. The complainant was a foreign corporation, having its principal place of business in Bremen, Germany. The defendant was a domestic corporation, located in Pennsylvania. Both manufactured and sold beer. The complainant claimed that it was the first to adopt and use the word "Kaiser" as a trade-name or trade-mark for the products of its brewery, and that from the time of its adoption and use, in November, 1874, it had continued to export its beer in kegs and bottles, labeled, marked and stamped "Kaiser Beer" to its agents in the United States. The proofs established the priority of use by the complainant of the word as a trade-mark in the United States. It also appeared that under the laws of Germany the word was not a lawful trade-mark in that country. Reference was made by the defendants' counsel to the trea-

ties between this country and Germany and Austria; the provision in the German treaty securing to citizens of Germany the same protection for their trade-mark rights in this country as citizens of the United States, and the Austrian treaty providing that, if a trade-mark has become public property in the country of its origin, it shall be equally free to all in the country of the other contracting party. The Court, in holding that the complainant had the exclusive right to the trade-mark in this country, says (p. 224):

> "It is suggested, rather than urged as an argument, that the term 'Kaiser' being open to common use in Germany and Austria—the laws of those countries in relation to trade-marks being substantially alike—no subject of either should be permitted to secure the exclusive right to the use of that term as a trade-mark in the United States. The German treaty was intended to secure 'the same protection' to German subjects doing business in the United States as is afforded to our own citizens; and it is not contended that one of the latter would be denied protection for a trade-mark under our laws simply because that particular trade-mark would not be allowed under the laws of Germany. The treaty stipulation only requires that the alien German should receive the same treatment as the American citizen. The provision of the Austrian treaty applies to a trade-mark which has become public property in the country of its origin. The trade-mark which is claimed by the complainant originated in the United States, and *has not become public property here.* It never was or could have been lawfully adopted as a trade-mark in Austria. As was said by this Court in Richter vs. Reynolds, 8 C. C. A., 220; 59 F. R., 580: 'It was not intended by these treaties to give to the official acts or laws of either country any peculiar extra-territorial effect.'" (Italics ours.)

It seems to be clearly recognized by this Court in the Hunyadi case, that a trade-mark may be lost to its owner in a foreign country and become public property there without affecting the rights in this country.

In that case, Saxlehner, the owner of the trade-mark "Hunyadi," by the decision of the Hungarian Minister of Agriculture, lost the exclusive right to the word in that country, and it was appropriated and registered there by others and used in combination with other words, such as "Matyas." In discussing the rights of Saxlehner in this country, in view of the defense of laches, this Court says (p. 35):

> "It appears that after the decision of the Minister of Agriculture in 1873 sustaining the claim of Markus to the trade-mark 'Hunyadi Matyas,' other springs were opened whose waters were bottled under different trade-marks, in all of which the word 'Hunyadi' was a component, and as early as 1886 these waters found their way to the United States, and were put on sale here with the knowledge of the Apollinaris Company. There is no evidence that Saxlehner had personal knowledge of these infringements, and while something may be said in his favor in view of his persistent efforts to established his rights in Hungary, he was bound to know the law in this country, and to take steps within a reasonable time to vindicate his rights. The infringers were making use of their trade-marks under licenses from the Hungarian Government, and we see no reason to doubt that they were proceeding in good faith to dispose of their waters under the trade-marks registered in Hungary. Under these circumstances, if Saxlehner had intended to assert his rights under the laws of this country, to the exclusive use of the word 'Hunyadi,' he was bound to act with reasonable promptness."

The holding of this Court that Saxlehner had lost his right of recovery because of laches is a clear recognition of the principle for which we contend—viz., that loss of a trade-mark in a foreign country does not invalidate it here, else there would have been nothing to be lost by laches. This is not affected by the fact that the provisions of the treaty between Hungary and the United States, irrespective of laches, terminated the trade-mark here. In the case at bar there is no treaty provision involved, and the Circuit Court of Appeals has found that there was no laches.

The analogy of patent law is in point here also.

Numerous domestic patents cover inventions not patented in foreign contries, and are upheld by our courts notwithstanding the dedication of the inventions abroad.

The scope of a domestic patent may be broader than that of a foreign one without affecting its validity.

The expiration or lapse of a foreign patent, unless prior to the domestic, does not affect the latter.

Hence, in any such case the rights of the patentee in this country are unaffected by the restriction or complete loss of them elsewhere.

So, too, a patented article cannot be imported and sold here without the consent of the patentee.

Boesch vs Gräff, 133 U. S., p. 697.

It follows that with patented articles there frequently exists the exact situation stated by his Honor Judge WALLACE, viz., that

> " any person here buying in Belgium, or elsewhere in Europe, or in England, the article [patented] can be prevented from dealing in it here."

Why should a different and more illiberal rule apply to a trade-marked article than to a patented one?

We submit that this reasoning of the learned Judge is not sound, and affords no valid ground for his dissenting opinion.

Foreign Decisions.

The petitioner, against the protest and subject to the objection of counsel for the respondent, introduced into the record testimony with reference to certain decisions in European courts, and copies from the records of such decisions. It also introduced in like manner and subject to like objection, a large amount of testimony and papers with reference to registration or attempted registration of various trade-marks in the English Patent Office. We respectfully submit that neither the records of foreign trade-mark registration proceedings, nor the records of proceedings and decisions in foreign courts should have been put in evidence, and, having been erroneously included, should not now be considered by this Court. All such matters are irrelevant and immaterial. Carlsbad vs. Kutnow, 35 U. S. App., 753.

But even if this Court should consider such matters as evidence, we respectfully submit that the statements and disclaimers of applicants for trade-mark registration, and the proceedings in reference to the same, can have no extraterritorial force, and cannot in any way, for the reasons which we have heretofore given, limit or impair prior established trade-mark rights in this country. The decisions in the Brussels and Hamburg cases were governed by the statutes of Belgium and Germany respectively, and cannot be determinative of any questions involved herein. In the Brussels case the Court simply considered the question whether the defendants had misled the public into the belief that the goods were actually made by Rahtjen or his associates. As we have before stated,

that question is not involved in this case, for the reason that fraudulent intent is presumed in the case of infringement of a trade-mark. In the Hamburg case the questions of intention to deceive and unfair competition were the only ones considered, and it appears clearly that the defendants escaped because there was at that time no law for the prevention of unfair competition in trade. Such a law, however, came into operation at a subsequent date. The consideration of the question of a trade-mark, pure and simple, as in the case at bar, was not involved in either case.

Damages.

After the granting of the petition for writ of *certiorari* in this case, the respondent promptly petitioned for a cross-writ for the purpose of bringing before this Court the question of its right to damages, as well as an injunction. Consideration of that question has been postponed until this hearing.

While the Circuit Court of Appeals decided in favor of the respondent, holding that "Rahtjen's Composition" is a valid trade-mark and is the property of the respondent; that the petitioner has infringed the same; and that respondent was not guilty of laches in bringing this suit, it nevertheless declined to direct a decree for an accounting. In view of the fact that the only reason for not ordering an accounting in a case like this is laches, it is hard to understand how the action of the Court below can be reconciled with its finding in favor of the respondent on the main questions. That Court, in its opinion, says (see Rec., p. 431:)

> "The defendant next insists that the complainant's laches should prevent any decree in its favor. It is true that the defendant has sold its manufacture of Rahtjen's composition to a certain extent since 1890, but the sales have been

comparatively small, and did not interfere with the complainant's business to any marked extent until the defendant obtained a contract with the Naval Department of the U. S. Government in answer to a call for offers of 'Rahtjen's composition,' when suit was promptly commenced. The defendants' chief brand of paint is the 'International composition' and it has been their endeavor to sell that brand, if they could, 'and, failing that, Rahtjen's composition.' The defense of laches is nominal rather than real, for the defendant's interference with the property rights of the plaintiff was, for many years, inconsiderable, and, under no decision, merits a refusal of a decree of injunction. Under all the circumstances of the case, we are not inclined to direct a decree for an accounting."

We respectfully submit that the finding of the court on the question of laches does not support its refusal to decree an accounting. We are aware of no case in which an accounting has been denied where the court has not found as a fact gross laches as the reason therefor. We, therefore, urge that if this court shall sustain the main conclusions of the Court of Appeals, it also grant to respondent an accounting.

But, even if this Court shall find that there was such laches on the part of respondent in bringing its suit, that it must be deprived of an accounting for infringing sales prior to suit, we can see no reason why it should be deprived of an accounting from the date of bringing suit. We presume the thought in the mind of the Court below was that a refusal of an accounting for defendant's "inconsiderable" interference with complainant's rights, would be a fair set-off against the overruling of its "nominal" defense of laches, but this surely cannot apply to the continued and serious interference which has taken place since

the filing of the bill. This Court has said in Menendez vs. Holt, at 524, on the question of laches:

> "Acquiescence to avail must be such as to create a new right in the defendant (citing case). Where consent by the owner to the use of his trade-mark by another is to be inferred from his knowledge and silence merely, 'it lasts no longer than the silence from which it springs; it is, in reality, no more than a revocable license.' * * * So far as the act complained of is completed, acquiesence may defeat the remedy on the principle applicable when action is taken on the strength of encouragement to do it, but so far as the act is in progress and lies in the future, the right to the intervention of equity is not generally lost by previous delay, in respect to which the elements of an estoppel could rarely arise."

This language was quoted and approved in the Hunyadi case.

Where a defendant has committed infringing acts after notice of the complainant's assertion of his exclusive rights he cannot be heard to object to the proper penalty for such acts, whether injunction or damages. In Edison Elec. L. Co. vs. Sawyer Man. E. Co., 53 Fed. R., 592 (C. C. A., 2d Circuit), the patent was on the Edison incandescent lamp, and the defendant manufactured such lamps and supplied them to central-station lighting companies using central station apparatus supplied by competitors of the Edison Company. Their business depended absolutely on their ability to secure lamps. The patent had been sustained in the Circuit Court in another suit. The defendant had continued its infringing acts after that decision, and opposed the granting of a preliminary injunction for reasons stated in the opinion. The Court says, at page 597:

> "Every one of the manufacturing corporations, the competitors of the Edison companies, com

menced their operations with a knowledge of the existence of the patent in suit. They were controlled by business men of intelligence and experience. Their promoters and managers may have believed, and probably did, that the patent could not be successfully maintained but they entered upon the business with an understanding of its risks, and of the consequences which would befall them as infringers, if the patent should be sustained. None of them can now be justly heard to say that an injunction which is essential, if not indispensable, to the protection of the owners of the patent and their licensees ought not to be granted because of the great pecuniary loss which may result. If, in consequence of being deprived of the use of the lamps, their investments in other electrical apparatus will be greatly depreciated, they must take the consequences. * * * As to those users, * * * who have acquired these plants subsequent to the decision of the Circuit Court, if they are deprived of the use of the lamps, and as a consequence the value of their plants may be greatly impaired, they must accept the result as a consequence of their own imprudence."

This decision is much more far reaching than the rule which we seek to have applied to the point under consideration. The defendant in the case cited was subjected to the severity of the rule therein laid down, although it was not a party to the suit, on the decision in which the order for injunction was based. On the other hand, in the case at bar, the defendant-petitioner had the most formal and effective notice of the rights of the complainant-respondent in the commencement of suit. If a defendant can be held with the strictness of the rule in the Edison case cited, assuredly the petitioner ought to be held to account for its infringing acts, at least since the commencement of suit.

This principle is stated by Bispham as follows:

> "It is to be observed, moreover, that after bill filed the defendant proceeds at his peril, and has no ground to complain, if, by decree, he is compelled to undo that which has been done after the institution of the suit" (Campbell P. P. Co. vs. Manhattan Ry. Co., 49 F. R., 930; Thompson-Houston Co. vs. Union Ry. Co., 78 F. R., 365; Williams vs. R. W. & O. Ry. Co., 2 F. R., 702; Bispham, Eq. Jur., Sec. 404, p. 517).

It is well settled that a writ of injunction carries with it, as incident to it and as part of the relief, the right to damages.

> "A complaint seeking to enjoin the maintenance of an elevated road in front of plaintiff's property, and for damages caused by its maintenance, contains but one cause of action; the recovery of damages being incident to the relief by injunction (Shepard vs. Manhattan Ry. Co., 117 N. Y., 442–48; Henderson vs. N. Y. C. & H. R. R. Co., 78 N. Y., 423; Williams vs. Same, 16 N. Y., 97; Beach on Injunctions, Sec. 1400; see, also, Sec. 10)."

A patent case exactly in point is that of Canton S. R. Co. vs. Kanneberg, 51 F. R., 599 (601), in which Circuit Judge TAFT states the law as follows:

> "The right to an injunction rests, not on past infringements, but on anticipated and threatened infringements. The bill avers reasonable ground for fearing future infringements, and the stipulation fully sustains the averment. A failure to show infringements prior to the filing of the bill is unimportant in its effect upon complainant's rights, except upon the question of damages. The right to recover damages for the infringements between the

filing of the bill and the final injunction is incidental to the right to the injunction, and is required to make the remedy complete."

We, therefore, submit that when respondent brought suit, petitioner was thus duly notified of its claim to the exclusive right to the trade-mark in question, and that thereafter petitioner proceeded at its own peril.

If respondent has the right to an injunction now, it had the right to one at the commencement of the suit.

This fact would seem to entitle it to the fruits of all infringing business of the petitioner since that date.

Therefore, respondent should, in any event, be granted an accounting for damages accruing since the commencement of suit.

Conclusion.

We submit in conclusion:

First. That Rahtjen invented in Germany between 1860 and 1865, certain formulas for the compounding of paint for ships' bottoms, for which he adopted and used the name "Rahtjen's Composition," and which under this name speedily acquired a high reputation in the maritime world.

Second. That in 1869 he appointed a sales agent for said paint in the United States, and stipulated as a condition of the agency that it should be sold under the name "Rahtjen's Composition", and commenced shipping his paint under said name into the United States in 1870, and at about the same time also into England.

Third. That Rahtjen advised his agent at the time of his appointment (November 1869) that he intended not to patent the paint in the United States, which intention was carried out, no such patent having ever been obtained.

FOURTH. That after Rahtjen's death in 1873, his business in the United States, Germany, and England was continued by his sons, John and Heinrich, under the firm name of "John Rahtjen," which business has ever since been carried on without interruption by said firm in Germany, and in this country and in England, by said firm and its business successors, with which successors the Rahtjens have always been connected either as principals, or as stockholders and directors.

FIFTH. That the business of respondent and its predecessors has always been the sale and use in the United States of said paint manufactured by Rahtjen or his successors, first in Germany and later in England, and has been continuous and uninterrupted and in increasing volume, and the name "Rahtjen's Composition" has always characterized the business and marked and identified the paint.

SIXTH. That on November 29, 1873, Heinrich Rahtjen, a member of the Rahtjen firm, obtained an English patent, which expired in 1880, on one formula for said paint; that there were then, and ever since have been, other formulas for other varieties of the paint to which the name "Rahtjen's Composition" was and has been applied as well as to the patented formula, before, during and after the patent; that a regular and substantial business in the paint had been carried on in the United States (and England as well) for years before the application for the patent, and that the business acquired value from the name and not from the patent.

SEVENTH. That about 1890 petitioner began to import and sell paint in the United States under the name of "Rahtjen's Composition," but that its leading brand, which has always characterized its business, is "International; that its sales of Rahtjen's composition were small and did not interfere with respond-

ent's business until in June, 1898, when it bid for and obtained a Government contract for supplying Rahtjen's composition, whereupon respondent promptly commenced this suit, and that it does not appear that respondent had knowledge of any sales by petitioner prior to that date.

EIGHTH. That the name "Rahtjen's Composition" is not descriptive of the article; that it is not generic, since the petitioner is the only party except respondent who is shown to have used it; that it is a valid trade-mark; that it belongs to respondent, and that it has not been abandoned.

NINTH. That the grant of a foreign patent upon an article sold under a trade-mark does not affect the trade-mark in this country.

TENTH. That petitioner has infringed respondent's trade-mark, and that its use of subsidiary marks in connection with the trade-mark does not palliate its offense.

ELEVENTH. That respondent was not guilty of laches in bringing suit, but was prompt and diligent in asserting its rights.

TWELFTH. That, therefore, respondent is entitled to an accounting at least for damages since suit brought, because the commencement of the action was notice to petitioner of respondent's claim, and thereafter it continued its infringement at its own peril.

THIRTEENTH. That, hence, the decree of the Circuit Court of Appeals should be affirmed as to the injunction, and reversed as to an accounting.

Respectfully submitted,

TIMOTHY D. MERWIN,
THOMAS B. KERR,
Counsel for Respondent.

New York City, April 10th, 1901.

APPENDIX.

As printed in the record of this Court, the real significance of some of respondent's exhibits is lost. This is because plain Roman type is used in printing respondent's trade-mark, which in the original exhibits is made the dominating feature, as it ought to be, to give it the significance it possessed in the literature of the business and as actually used. In order, therefore, to present these exhibits with proper force, and in convenient form for the consideration of the Court, we have had lithographic reproductions made of the more important ones, and have arranged them in their proper chronological order as an appendix to our brief.

To make the narrative complete, we have printed, to precede the lithographs, the letter from Rahtjen to Gelien, dated November, 1869, which marked the inception of the business of the respondent. The several exhibits appear in the following order:

1. Exhibit Q.—Letter of Rahtjen to Gelien, November, 1869.
2. Exhibit R.—Gelien's show card of 1871.
3. Exhibit UU.—Certificate of copyrighting of the show card, August 5, 1871.
4. Exhibit U.—Letter-head used by Gelien during his agency, 1870-1877.
5. Exhibit T.—Circular announcing the agency of Hartmann, Le Doux & Maecker, of 1878.
6. Trade-mark "Rahtjen's Composition," registered June 23, 1885.
7. Exhibit CC2—Notice of dissolution of partnership of Hartmann, Le Doux & Maecker, July 1, 1886.
8. Exhibit CC1—Announcement of agency of Maecker to succeed Hartmann, Le Doux & Maecker, July 1, 1886.

9. Exhibit LL—Bill of Maecker to Clark for Rahtjen's composition, October 19, 1887.

10. Exhibit MM—Bill-head used by Clark during his local agency under Maecker.

11. Exhibit RR—Notice of agency of Peterson succeeding Maecker, January 29, 1889.

12. Telegraphic order for Rahtjen's composition, April 27, 1892.

13. Press copy of bill for same, April 27, 1892.

14. Press copy of bill for Rahtjen's composition, May 2, 1892.

15. U. S. Government requisition for Rahtjen's composition, June 30, 1893.

16. Exhibit KK 1 and 2—Photographs of stencils of Rahtjen's composition used prior to 1883.

17. Exhibit KK 3 and 4—Photographs of stencils of Rahtjen's composition used from 1883 to 1891.

18. Stencils Rahtjen's composition used by respondent since 1891.

Exhibit "Q."

[Translation.]

BREMERHAVEN, November ____, 1869.

MR. HENRY GELIEN,
Hoboken :

Referring to my letter of the 1st of October of the present year, I revert by these presents to the contents of your favour of the 9th September of the present year.

It appears from enquiries made that it will be difficult in the United States to obtain a patent for my paint, one of the reasons for this being that my paint contains some ingredients which are already known as components of paints and the Patent Office will prob-

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ably object to this and reject the application for the patent. But in my opinion it is better to forego the patent rather than to apply for a patent and receive a refusal.

With a view however, to introducing my paint there, notwithstanding, we can try this without taking out patent there being no immediate danger of any exact imitation of the invention (several competitors here and elsewhere have attempted to bring on the market an article similar to mine, but all consumers have rejected it for want of durability).

As you are perhaps already aware my composition paint exists in two qualities No. 1 being used as a first coat on bottoms and on all articles of iron ; it protects chiefly against rust and is in every case to be used like Mennie.

The paint No. 2 is only used as last coat of the bottoms ; it protects mainly against incrustation and accumulation. In order to introduce my composition paint there I quote the following terms :

(1) The paint shall be brought on the market under the name of " Rahtjen's composition."

(2) You shall have the exclusive sale there on condition that you shall not attempt to sell a similar, imitated paint of my competitors, at the same time.

(3) I quote you the price for No. 1 gold P. at 20.— for No. II. gold P. at 28.—per cwt. of 100 pounds German weight, if delivered in barrels including cooperage, if delivered in tins the cooperage is charged at cost price, the price is f. o. b., three months' credit.

I beg you to give me your opinion hereon and expect to hear from you at your earliest convenience.

Believe me, yours obediently,

JOHN RAHTJEN,
H. RAHTJEN.



RAHTJEN'S COMPOSITION PAINTS,

KNOWN AS THE

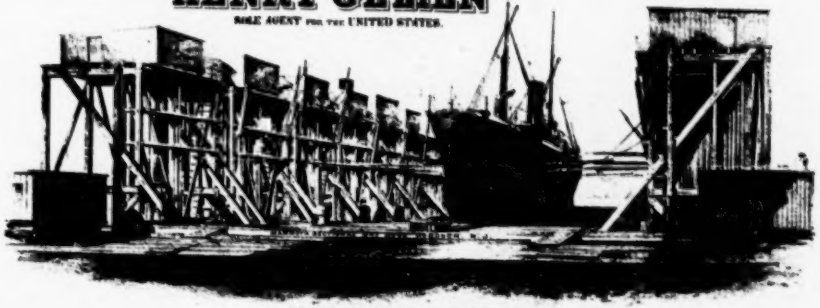
GERMAN PAINT

FOR PAINTING THE BOTTOMS OF IRON & WOODEN SHIP'S & BOATS.

TO PREVENT RUST, BARNACLES &c.

HENRY GÉLIEN

SOLE AGENT FOR THE UNITED STATES.



REFERENCES:

MESSRS. GELRICHS & CO., 2 Bowling Green, New York, or the CAPTAINS OF THE NORTH GERMAN LLOYD STEAMERS in Port, in New York, Baltimore, or New Orleans.

OLD DOMINION STEAMSHIP CO.,	Pier 37, N. R., New York.	MESSRS. C. H. MALLORY & CO.,	133 Maiden Lane, New York.
NEW YORK AND NORWICH TRANS. CO.,	" 40, " "	MESSRS. H. B. CROMWELL & CO.,	86 West Street, "
BRIDGEPORT STEAMBOAT CO.,	" 25, E. R., "	WILLIAM P. CLYDE, ESQ.,	119 Wall Street, "
DELAMATER IRON WORKS,	13th St., N. R., "	HERMAN WINTER, ESQ., Chief Engineer, Metropolitan & Old Dominion S.S. Co.	
HARLAN & HOLLINGSWORTH COMPANY,	Wilmington, Delaware.	THOS. M. RICHARDS, ESQ.,	Port Richmond, Philadelphia.

SINCLAIR STUART, ESQ. Underwriters' Inspector and Surveyor of Steamboats, &c., &c., - - New York Lloyds, 76 Wall Street, New York.

OFFICE AND DEPOT,

P.O. BOX 92. **107 WASHINGTON STREET, HOBOKEN, N. J.**



10983

A[1]

1871. No. 73821 B. Complainant Exhibit U U

Library of Congress, to wit:

Be it remembered,

That on the fifth day of August, 1871,
Henry Gelien
Hoboken, N. J.
has deposited in this Office the title
of a print the title or description of
which is in the following words, to wit:

Bahtjin's Composition Paints.

the right whereof he claims as proprietor in conformity with the laws of the United States respecting Copyrights.

A. R. Spofford
Librarian of Congress.

I hereby certify that the foregoing is a true copy of the original record of copyright. In witness whereof the seal of the Librarian of Congress has been hereto affixed this thirteenth day of October, 1899

Office of the Register of Copyrights,
Washington, D. C.

Written 10-9-99
Entered 10/10/99
Issued Oct. 10, 99

Form A.

Herbert Putnam
Librarian of Congress.

By Thorvald Solberg
Register of Copyrights.



Complainants Exhibit D.

RAHTJEN'S COMPOSITION PAINTS



Known as the

GERMAN PAINT.

OFFICE OF

HENRY GELIEN,

SOLE AGENT

155 MAIDEN LANE.

(1)

New York July 14th 1871.

1089T

Complainants Exhibit T.

Alex Rudgway
Notary Public.

New York, April 23d, 1878.

Office 122 Front Street.

Having been appointed Sole Consignees in the United States

of Rahtjen's Patent Composition

for Coating Ship Bottoms, by Mr. Rahtjen of Bremerhaven, the Inventor and Manufacturer, we have the honor to inform you that we have this day established ourselves under the Firm of

Hartmann, Le Doux & Maecker.

Requesting your kind attention to the Signatures at foot,

We are,

Your Obt.

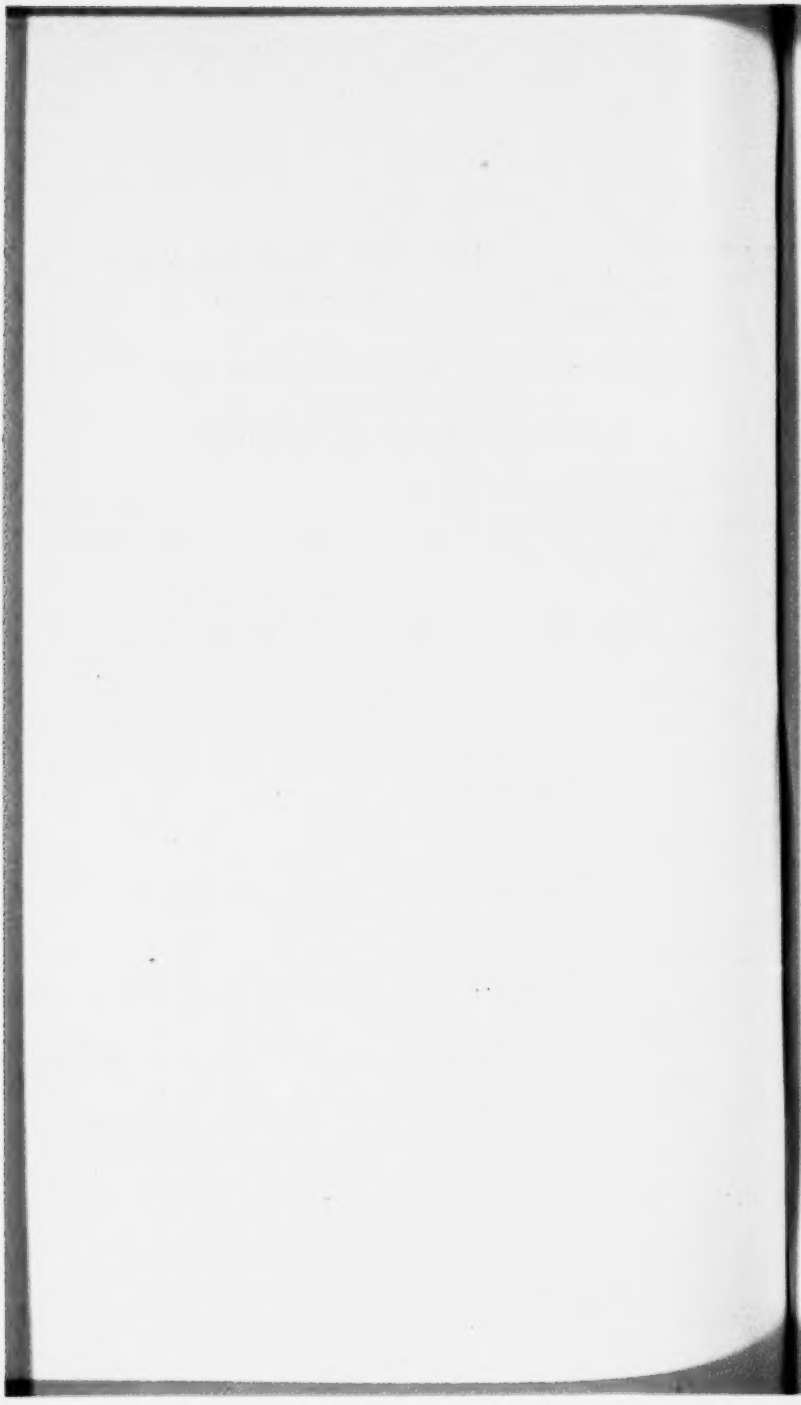
Yours respectfully,

Hartmann, Le Doux & Maecker.

Mr. William Hartmann will sign: Hartmann & Maecker

Mr. Richard le Doux will sign: Hartmann, le Doux & Maecker

Mr. Emil Maecker will sign: Hartmann, le Doux & Maecker



Complainant's Exhibit Trade Mark Rahtjen Composition.

TRADE-MARK.

HARTMANN, LE DOUX & MAECKER.

PREPARED PAINT.

No. 12,336. Registered June 23, 1885.

RAHTJEN'S COMPOSITION.

WITNESSES:

F. M. Antle.

E. Sedgwick

Hartmann, Le Doux & Maecker

BY Munn & Co

ATTORNEYS.

HARTMANN, LeDOUX & MAECKER,
NEW YORK.

Complainant's Exhibit CC.
Alex Duncan
Notary Public

134 PEARL STREET,

New York, 1st July, 1886.

We have the honor to inform you, that the partnership hitherto existing between us, has been dissolved by effluxion of time and by mutual consent.

Mr. **EMIL MAECKER**, will carry on the business at **127 Pearl St., N. Y. and 127 Scholes St., Brooklyn, E. D.** on his own account and will represent **Messrs. SUTER, HARTMANN & CO.**, of London, as agent for America for the sale of **RAHTJEN'S ANTIFOULING COMPOSITION.**

Yours respectfully,

William Hartmann,
Richard le Doux,
Emil Maecker.

127 PEARL STREET,

New York, 1st July, 1886.

Referring to the enclosed circular, I beg to inform the patrons of my late firm, Hartmann, le Doux & Maecker, that I have made arrangements with **Mr. D. CLARK**, of 356 South St., City, for the retail trade of **RAHTJEN'S COMPOSITION**, and request them to apply to him in regard to contracts for scraping and painting in the docks of this city and vicinity.

Mr. Clark who is well known in the ship-painting trade, will give your valued orders that prompt and careful attention which my late firm always bestowed upon them.

Respectfully yours,

Emil Maecker.

1086



KEMBLE BUILDING.
15 & 25 WHITEHALL ST.,
Room 124. NEW YORK. October 14th 1887

Mr. D. Clark 256 South St.
City

Bought of Jas. McGeehan

RAHTJEN'S COMPOSITION

1 Spruce Antifouling R @ 10½	@ 45c ℔	4725	
Less 25%		1181	℔ 25 441

Net.

Thos. Rahtjen's Sons

Complainant's Exhibit No. 1.

New York, 189



Or. to DAVID CLARK.

HOUSE, SHIP, YACHT AND STEAMBOAT PAINTING,

Telephone Call, Courtlandt 477. No. 256 SOUTH STREET.

Complainant's Exhibit No. 2.



Compliments Exhibit R.R.

B.R.R. Jany 29 9

Messrs Darrah & Elwell

Philadelphia

Gentlemen

I received through Mr Maecker at about 3 P. M. this day, an order from you for five Drums Printing & 5 Drums Anti-fouling (Rahtjen's Compositions) Paint, which I immediately shipped for Penn R R & your address, according to instructions. I herewith beg to inform you that I have been appointed sole agent for Rahtjen's Compositions, and shall hereafter be pleased to fill your orders promptly, upon the same terms as Mr Maecker has done. Enclosed please find Bill, and receipt for same.

Respectfully Yours
Otto F Petersen

P. S. Not able to send you Shipping receipt this Evening will send it by to morrow's mail

OFP

Complainant's Exhibit Telegraphic order of April 27. 1892.

THE WESTERN UNION TELEGRAPH COMPANY.

JNO. T. ECKERT, General Manager. MARVIN GREEN, President.

B C My No 3 1K 27 Paid

RECEIVED at PRODUCE EXCHANGE, NEW YORK.

April 27 1892

Dated New London Conn 27

To Otto L Peterson

120 Eme Twenty Broad St

My

Ship Twelve gallons Raheyns

Composition

Darrow & Comstock

Complainant's Exhibit press copy of bill of April 27. 1892.

April 27th 92

Messrs Darrow & Comstock New London Conn

1 Barrel 10 gross No 3 Rubbjuice Composition @ 4.00 $ 47.25

Less 15 % 7.08

$ 40.17

10880



Complainant's Exhibit press copy of bill of May 2, 1892.

B.B. Exr

J. 53

May 2d 2

U S. Navy Yard Brooklyn N.Y.

100 gallons No 1 Rahtjens Composition @ 3.00 300.
40 " No 3 " do @ 4.00 160.
460.

U. S. Navy Pay Office.
STEWART BUILDING,
280 Broadway,
New York

June 10 1893

Rahtjens Am Co

Please furnish the NAVY YARD, New York, for immediate use, subject to usual inspection at that Yard. Appropriation for Requisition No. 474, Bureau of C & R, to be delivered promptly in conformity with your proposal dated June 16.

ARTICLES REQUIRED.	PRICE. Dollars	Cents	FOR AGGREGATE AMOUNT.
For U. S. S. "Bancroft"			
31 1/2 Gallons of Rahtjens anti-corosive composition # 1 for ships bottom.	3 50 gal		
21 Gallons of Rahtjens anti-fouling composition # 3 for ships bottoms	4 50 "		
To be delivered in cans of 10 1/2 Gallons.			

Dobell Doyle 75
Dobe delivered Portsmouth already

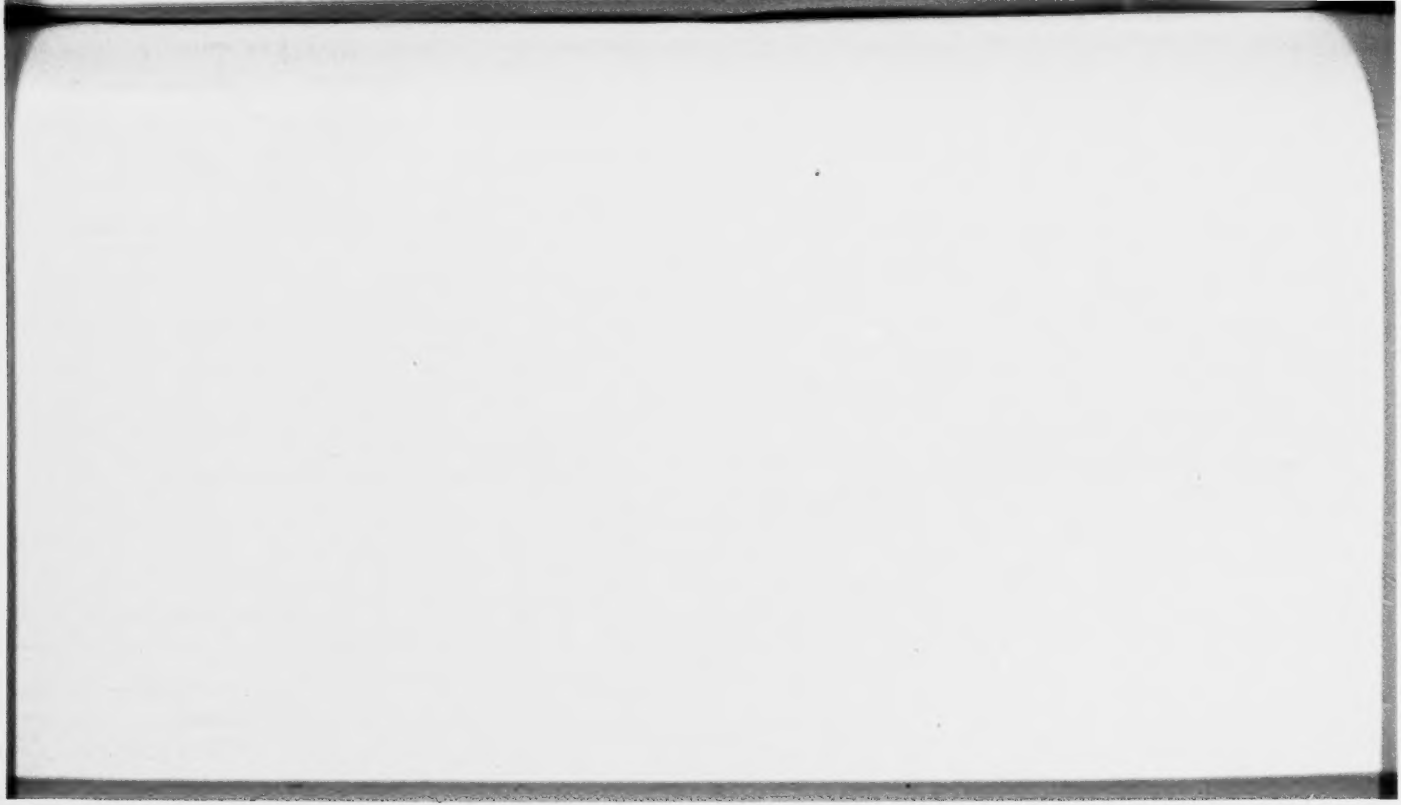
Complainant's Exhibit U. S. Government requisition of June 10, 1893.

B.B. Exr

Send Duplicate Bills to this Office for my Certificate, after which deliver them at the Navy Yard with the articles.

L. G. BILLINGS.
Pay Director U. S. N.

10891



Complainants Exhibit FF

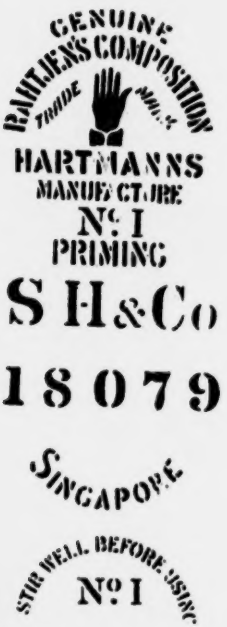
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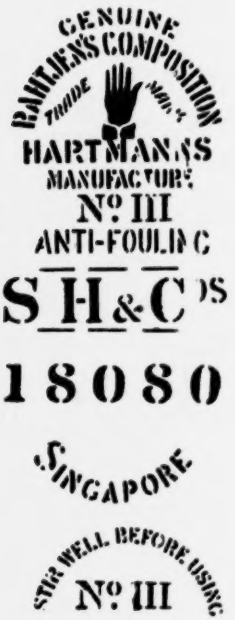
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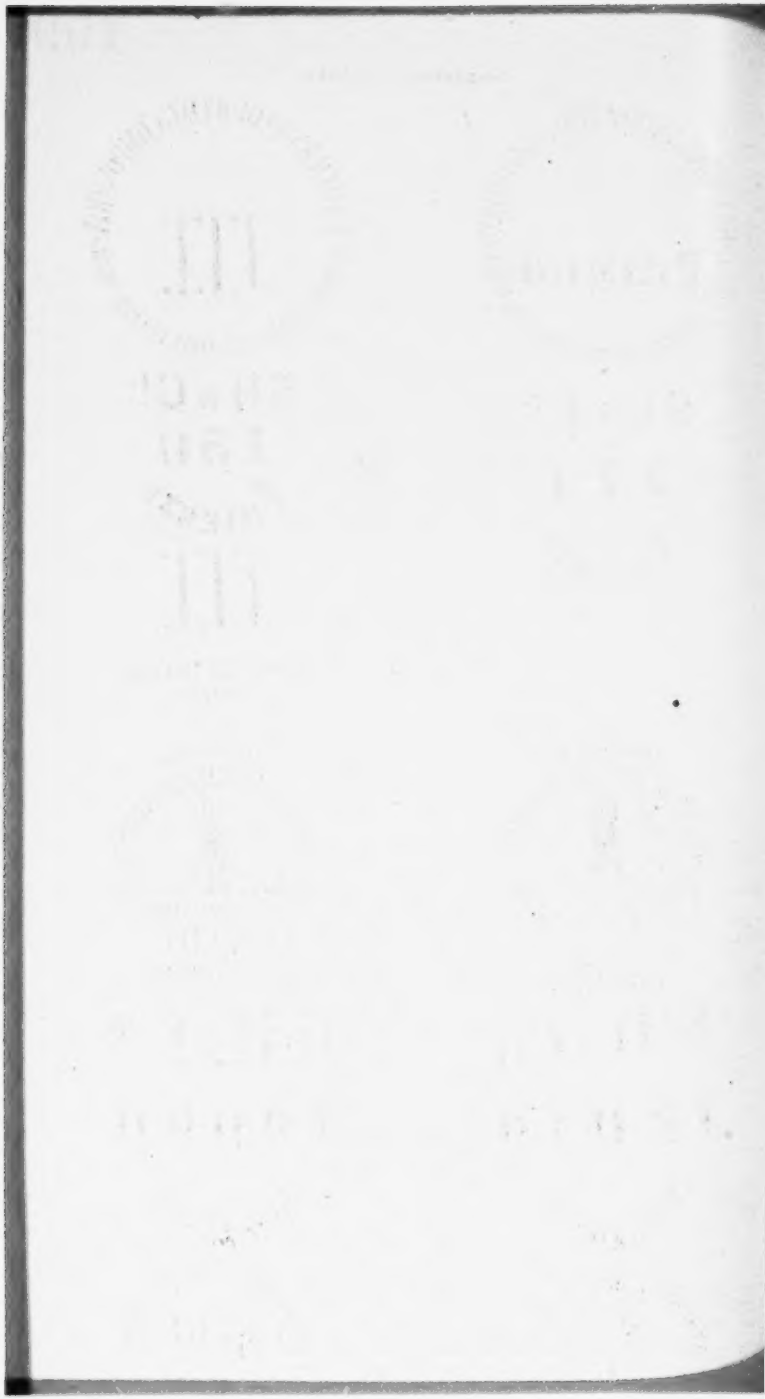


3



4





N. N.

GENUINE
RAHTJEN'S COMPOSITION
TRADE MARK



RAHTJEN'S
AMERICAN COMPOSITION
COMPANY.

NEW-YORK

HARTMANNS
MANUFACTURE
PRIMING
FIRST COATING

7140

10393

N. N.

GENUINE
RAHTJEN'S COMPOSITION
TRADE MARK



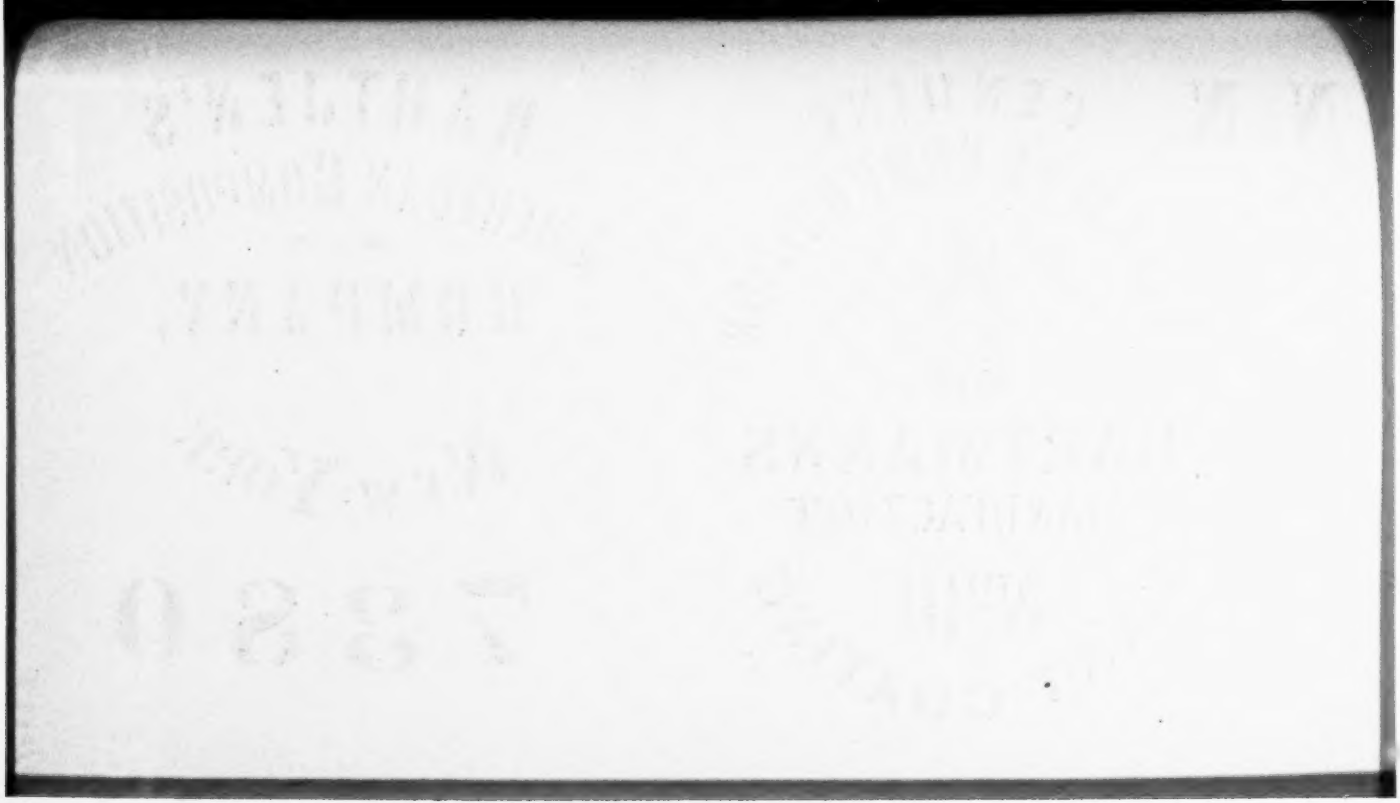
HARTMANNS
MANUFACTURE
Nº III
LAST COATING

RAHTJEN'S
AMERICAN COMPOSITION
COMPANY.

NEW YORK

7380

10334



No. 267, 54
Sup. Ct. Off. of Merwin & Kerr for Resp.
FILED
MAY 1 1901
CLERK.

Filed May 1, 1901.

Supreme Court of the United States.

OCTOBER TERM, 1900.

No. 267.

HOLZAPFEL'S COMPOSITIONS COMPANY, LIMITED,
Petitioner,

vs.

RAHTJEN'S AMERICAN COMPOSITION COMPANY,
Respondent.

Supplemental Brief for Respondent.

TIMOTHY D. MERWIN,
THOMAS B. KERR,
Counsel for Respondent.

C. G. Burgoyne, Walker and Centre Streets, N. Y.

Supreme Court of the United States.

OCTOBER TERM, 1900.

No. 267.

HOLZAPFEL'S COMPOSITIONS COMPANY (LIMITED),
Petitioner,

vs.

RAHTJEN'S AMERICAN COMPOSITION COMPANY,
Respondent.

SUPPLEMENTAL BRIEF FOR RESPONDENT.

Submitted by leave granted at the hearing.

IN ANSWER TO ORAL ARGUMENT OF HON. J. G. CARLISLE, COUNSEL FOR PETITIONER.

The distinguished counsel for petitioner in his oral argument raised certain questions now advanced in this litigation for the first time. We understand his points to be as follows:

FIRST. That a foreign manufacturer, who imports his wares into this country under a trade-mark applied in the foreign country and sells the same through

agents here, cannot thereby acquire a domestic trade-mark, but that in order to secure trade-mark rights here such wares must have the mark affixed to them in this country; and hence that Rahtjen acquired no domestic trade-mark, although it is proven and admitted by petitioner's counsel that his paint was marked abroad, first in Germany and afterwards in England, with the name "Rahtjen's Composition," and was received, sold and used under that name by his agents here.

SECOND. That the selling agent in this country of a foreign manufacturer cannot himself acquire a domestic trade-mark in the name applied to the article by his principal in the foreign country; hence, that neither Gelien nor Hartmann, Le Doux & Maecker acquired any right to the name "Rahtjen's Composition" as a domestic trade-mark, and the registration of that name in this country by the latter was a nullity.

THIRD. That Rahtjen's shipments to his agents in the United States from his English factory after 1879, were in conflict with the business previously established by shipments from his German factory, and constituted forfeiture or abandonment of his trade-mark rights, if he had acquired any, in this country.

FOURTH. That the disclaimer of the exclusive right to the name "Rahtjen's Composition" and other words by Suter, Hartmann & Co. in the registration of their autographic signature as a trade-mark in the English Patent Office, worked abandonment of any previously-existing trade-mark rights of Rahtjen the world over.

FIFTH. That the petitioner's predecessors beginning with 1883 imported into, and sold in, the United States, a paint marked with the name "Rahtjen's Composition," and thereby established anticipating public use of the name prior to any legal adoption or use of it by the respondent or its assignors.

The conclusions sought to be drawn from these propositions are, that during the period of Rahtjen's importation of paint from Germany into this country he had nothing more than his German trade-mark; that even if he did acquire any domestic trade-mark rights during that period, he forfeited and abandoned them by ceasing such importations and commencing importations from his English factory; that in any event they were lost to him when he lost his German trade-mark, which was held by the Court in Hamburg to be the result of the lapse of the English patent; that he did not acquire any domestic trade-mark rights by reason of his importations from the English factory for the reasons already given, even if the lapse of the English patent did not work a forfeiture of his trade-mark rights throughout the world; that the importation and sale of paint as described by petitioner's predecessors in the United States, established public use of the claimed trade-mark in this country and prevented its exclusive use thereafter by any one; and that whatever may have been the legal effect of any and all of these precedent transactions, the disclaimer by Rahtjen's agents, Suter, Hartmann & Co., terminated any then-existing trade-mark rights of Rahtjen in this country.

1. The first proposition laid down by counsel for petitioner is, we think, without foundation in law. This is shown by cases cited in our main brief, as follows:

In the *Hunyadi* cases, marks applied to goods of foreign origin in the foreign country, and under which they were marketed in this country, were treated as having the same legal force and effect as if they had been applied to the goods in this country.

In the case of *Kathreiners Malzkaffee Fabriken mit Beschaenkter Haflung et. al. vs. Pastor Kneipp Medicine Co.*, 82 F. R., 321 (C. C. A. 7th Ct., Oct. 4th, 1897, cited on p. 45 of our main brief) the Court sustained the exclusive right of the complainant in this country to trade-marks applied to their goods in Germany.

In the case of *J. & P. Baltz Brewing Co. vs. Kaiserbrauerei et. al*, 74 F. R., 222 (C. C. A. 3d Ct., May 4th, 1896, cited on p. 50 of our main brief), the Court states the facts as follows:

> "This is a suit for the infringement of a common law trade-mark. The complainant is an alien corporation, having its principal place of business in the City of Bremen, in Germany. The defendant is a domestic corporation, located in the State of Pennsylvania. Both parties are engaged in the business of manufacturing and selling beer. The complainant complains that it was the first to adopt and use the word 'Kaiser' as a trade-name or trade-mark for the product of its brewery, and that from the time of such adoption and use, in November, 1874, it has continued to export its beer in kegs and bottles, labeled, marked or stamped 'Kaiser Beer,' to its agents in the United States, where it has acquired a large and lucrative sale. The bill charges that the defendant makes and sells an article called 'Kaiser Beer,' which comes into unlawful competition with the beer of the same name manufactured and sold by the complainant. The proofs establish the fact of the priority of use by complainant of the word 'Kaiser' as a trade-mark in the United States."

The same rule is recognized in the case cited in the opinion in Baltz vs. Kaiserbrauerei to wit: *Richter vs. Reynolds*, 8 C. C. A., 220; 59 F. R., 580.

Similarly in the case of *La Republique Francaise, la Campagnie Fremiere de L'Etablissement Thermal de Vichy vs. The Saratoga Vichy Springs Co.*, (decided in the United States Circuit Court of Appeals, 2d C. on April 9, 1901, but not yet officially reported,) the trade-mark rights of the complainant in labels applied to the goods in France and under which they were sold in this country, is sustained.

Trade-marks being creatures of common law and not of statute, the rights of aliens establishiag trade-marks by doing business thereunder in this country are the same as those of citizens. It does not matter by whom or where the goods are made, or by whom or where the mark is applied, so long as they are sold under, and acquire reputation with, the trade-mark. Treaty provisions relate to wholly different conditions from the building up of a common-law right here.

In view of the illustrative decisions above cited, and the undisputed fact that Rahtjen affixed the name "Rahtjen's Composition" to the paint which he imported into this country as a distinguishing mark for the trade here, and required his agent, Gelien, to place it upon the market under that name, whereby he built up a common-law trade-mark for his principal, by his authority, the first proposition of petitioner's counsel, we submit, cannot be maintained, especially since in his argument he justifies it neither by principle nor precedent.

2. The second proposition of petitioner's counsel requires no discussion, for whatever may have been the respective personal rights of Rahtjen and his agents in this country, they all became merged by assignment and succession in this respondent, thereby quieting its title. If there was trade under the name (and that is beyond question), rights to its use arose. To whom these rights accrued during the agency period ceased to be more than a moot question when respondent succeeded to the rights of all.

3. It is difficult to treat seriously the contention of counsel that Rahtjen, owning factories both in Germany and in England for the manufacture of his paint, could not shift the production of a supply thereof for a particular country from one to the other factory, without forfeiture of his trade-mark rights in such country. We submit that, so long as there never was a time when he lost control of the manufacture of his paint

either in Germany or in England, and never a period when the paint supply for this country emanated from any but a single source, and that a factory owned by Rahtjen, he could not be said to have abandoned or lost his trade-mark rights. In the Hunyadi cases, forfeiture of the Hungarian trade-mark did not affect the American rights.

4. The asertion of the fourth proposition by petitioner's counsel is at variance with the second proposition relied upon, for, assuming for the purposes of the argument (as alleged in the second proposition), that Rahtjen's selling agents in the United States could not, and did not, acquire for themselves domestic trade-mark rights, the argument that the disclaimer of Suter, Hartmann & Co. in the English Patent Office constituted an abandonment by Rahtjen of his trade-mark rights in "Rahtjen's Composition," even in England alone, is without force. The trade-mark which these agents sought to protect by registration was a *fac-simile* of their autographic signature, which they added to Rahtjen's trade-mark. All that they said by disclaimer was that, acting for themselves, "We do not claim the exclusive use of the words, 'Rahtjen's Patent Composition,'" etc. If they could not create substantive trade-mark rights for themselves, they did not have the legal right to register a trade-mark on his behalf, much less to bind him by a disclaimer of his broad and fundamental right. On the other hand, if his agents in the United States did acquire exclusive rights here, they could not be prejudiced by the acts or admissions of an agent in another country dealing solely with the rights existing there.

5. The distinguished counsel inadvertently made one erroneous statement as to the facts of the case. We wish to call attention to this, not only because of its bearing upon the point under discussion by him, but also because of its relation to other questions in the case.

He said that the petitioner's predecessors imported their alleged Rahtjen's Composition, *marked with that name*, into, and sold it in, the United States during the period since 1883, and that this fact was not disputed. So far from this being either proved or admitted, it is disputed by the respondent, and is absolutely without foundation in the proofs.

Max Holzapfel, in testifying to the amount of shipments of Rahtjen's Composition of Holzapfel's manufacture into the United States, fails to state that even a single package of it bore the name "Rahtjen's Composition." He says merely that the shipments were of *Rahtjen's Composition, manufactured by Holzapfel & Co.* (Rec., p. 268, Q. 63; Rec., p. 280, following X-Q. 157), not that they were known, marked or dealt in by that name. Andresen is the only other witness on this point. No where in his deposition does he testify that any of the petitioner's so-called "Rahtjen's Composition" ever bore that name. On the contrary, in his answer to Q. 26, p. 217 of the record, he says:

> "Going back as far as 1891, I know of our Raht-
> "jen's Composition having been put up in cans,
> "*plainly marked and stenciled with* OUR TRADE-MARK
> "*and the firm's name and firm's style*" (italics ours). (This trade-mark was the symbol of a red propeller).

This specific, carefully considered statement of the petitioner's custom in marking the cans is very significant. It indicates—and the inference may very properly be drawn therefrom—that the petitioner marked its goods with *its* trade-mark (red propeller, Pet. Brief, p. 29 near bottom), and not with "Rahtjen's Composition," and then sold the paint *surreptitiously as and for the genuine "Rahtjen's Composition."* The singular and unusual conduct of this witness in refusing to answer proper questions in cross-examination, which sought to disclose the truth or falsity of his

statements as well as those of Max Holzapfel, can be reasonably explained only on one of two grounds: Either the amount of business in Rahtjen's Composition done by the petitioner in the United States was vastly less than the amount stated by Holzapfel, and of much less value than as stated generally by himself, or the petitioner's own books would have disclosed that it had not been conducting its business in open competition with the respondent as claimed, but in a stealthy and underhand manner, characterized by the absence of respondent's trade-mark from such goods as might come to the view, either of the public or respondent. If such were the fact, it would further explain why knowledge of the petitioner's infringement during all these years did not come to the respondent or any of its officers.

The learned counsel, in the heat of discussion, fails to observe that the arguments he employs, even if valid, and his erroneous statement of fact, if true, render his own position untenable, without seriously affecting respondent's. If importation of foreign goods under a foreign mark into this country could not establish the exclusive right to that mark here, neither would a similar importation by the petitioner establish a hostile right either in the petitioner or the public. If Rahtjen's agents could acquire no trade-mark rights in this country either for him or for themselves, then the disclaimer of his agents in England could not work forfeiture or abandonment of his rights. The counsel's argument is a weapon which, while harmless to respondent, he has turned with fatal effect upon the petitioner.

New York City, April 29th, 1901.

Respectfully submitted,

TIMOTHY D. MERWIN,

THOMAS B. KERR,

Counsel for Respondent.